New Essays

VOLUME I

GREENWOOD

RADICAL PERIODICALS IN THE UNITED STATES

RADICAL PERIODICALS IN THE UNITED STATES

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NEW ESSAYS

A Quarterly Devoted to the Study of Modern Society

Volume 1
1934-1935

Introduction to the Greenwood reprint by

PAUL MATTICK

Former Editor, New Essays

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Introduction

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The following introduction by Paul Mattick consists of the reminiscences, present views and opinions of one of the persons most closely involved with this journal.

—THE PUBLISHER

Introduction

This series of publications, which appeared during the years 1934 to 1943 under the title *International Council Correspondence*, later to be renamed *Living Marxism* and, finally, *New Essays*, expressed the political ideas of a group of American workers concerned with the proletarian class struggle, the conditions of economic depression and worldwide war. Calling themselves Council Communists,[1] the group was equally far removed from the traditional Socialist party, the new Communist party, and the various "opposition" parties that these movements brought forth. It rejected the ideologies and organizational concepts of the parties of the Second and Third Internationals, as well as those of the stillborn "Fourth International." Based on Marxist theory, the group adhered to the principle of working-class self-determination through the establishment of workers' councils for the capture of political power and the transformation of the capitalist into a Socialist system of production and distribution. It could be regarded, therefore, only as a propaganda organization advocating the self-rule of the working class. Because of the relative obscurity of this group and its ideas, it may be well to deal briefly with its antecedents.

Labor organizations tend to see in their steady growth and everyday activities the major ingredients of social change. It was, however, the unorganized mass of workers in the first of the twentieth-century revolutions that determined the character of the revolution and brought into being its own, new form of organization in the spontaneously arising workers' and soldiers' councils. The council, or soviet, system of the Russian Revolution of 1905 disappeared with the crushing of the revolution, only to return in

greater force in the February Revolution of 1917. It was these councils that inspired the formation of similar spontaneous organizations in the German Revolution of 1918 and, to a somewhat lesser extent, in the social upheavals in England, France, Italy, and Hungary. With the council system, a form of organization arose that could lead and coordinate the self-activities of very broad masses for either limited ends or for revolutionary goals, and that could do so independently of, in opposition to, or in collaboration with existing labor organizations. Most of all, the rise of the council system proved that spontaneous activities need not dissipate in formless mass exertions, but could issue into organizational structures of a more than temporary nature.

In both Russia and Germany the actual content of the revolution was not equal to its revolutionary form. Although in Russia it was mainly general objective unreadiness for a Socialist transformation, in Germany it was the subjective unwillingness to institute socialism by revolutionary means that largely accounts for the failures of the council movement. The great mass of German workers mistook the political for a social revolution. The ideological and organizational strength of social democracy had left its mark; the socialization of production was seen as a governmental concern, not as the task of the workers themselves. The workers' councils, which had made the revolution, abdicated in favor of political democracy. In Russia, the slogan "All Power to the Soviets" had been advanced by the Bolsheviks for tactical and opportunistic reasons. Once in power, however, the Bolshevik government dismantled the soviet system to secure its own authoritarian rule. The Russian soviets proved unable to forestall the transformation of the soviet into a party dictatorship.

It is clear that workers' self-organization is no guarantee against policies and actions contrary to proletarian class interests. In that case, however, they are superseded by traditional or new forms of control, by the old or newly established authorities. Unless spontaneous movements, issuing into organizational forms of proletarian self-determination, usurp control over society and therewith over their own lives, they are bound to disappear again into the anonymity of mere potentiality. This is not true, of course, for the

minority of conscious revolutionaries who expect and prepare for new social struggles and to that end concern themselves not only with the critique of capitalist society but also with the criticism of the means required to put an end to it.

This accounts for the Left opposition within the Communist movement, which arose as early as 1918 and directed itself against the opportunism of the Bolshevik party in its endeavor to secure the existence of the Bolshevik government. Although bad experiences with bourgeois parliamentarianism and with the class-collaborationist practices of trade unionism had turned Western Communists into antiparliamentarians and anti-trade unionists, and thus into supporters of the council movement, the Bolsheviks insisted on a reversal of policies and the return to parliamentarianism and trade unionism. The Communist parties were split and their left wings excluded from the Communist International. Lenin's pamphlet, *Radicalism, an Infantile Disease of Communism* (1920) was written to destroy the influence of the *Left* in western Europe.

With the prestige of success on their side, and with the material means available to government to influence or destroy rival social movements, the Bolsheviks succeeded in reducing Left communism to practical insignificance. But it was never completely extinguished and has continued to exist in small groups in a number of countries down to the present day. For a time, it even won a hearing in the United States, where the lack of revolutionary conditions condemned communism to exist in merely ideological form. The formation of groups of council Communists was first made possible here during the Great Depression, which saw the spontaneous growth of organizations of the jobless and of councils of the unemployed.

With the demise of the unemployed movement, the group of council Communists elected to continue to function as an educational organization. A split in the Proletarian party added to their membership and made possible the publication of *Council Correspondence*. At the founding of the group it adopted the temporary name United Workers party, soon to be changed to Council Communists. It was, perhaps, due to the character of the group and its

intentions that it failed to attract intellectuals into its ranks. With the exception of articles translated from European sources, all the material published in *Council Correspondence* was written by employed or unemployed workers. Contributions were not signed because they expressed the opinions of the group even when written by individuals. There was, of course, no money available to pay for printing, and the magazine was produced by voluntary labor. Only with an increase in the number of readers, which coincided with a membership decline in the group, did it become both possible and necessary to print the journal. In view of the reduced membership, however, it was clear that *Council Correspondence* did not promote the growth of the organization but was practically no more than a vehicle for the elucidation of the ideas of council communism. For this reason the change of name to *Living Marxism* was decided upon. Eventually, however, the general decline of radicalism resulting from America's entry into World War II made the name *Living Marxism* seem rather pretentious, as well as a hindrance in the search for a wider circulation. It was changed to *New Essays,* but this did not yield the hoped-for results. After a few issues it became clear that a sufficient number of subscribers to make the magazine financially viable was not forthcoming.

Throughout the existence of *International Council Correspondence* no attempt was made to simplify its style or content to suit less-educated workers. The intention was to raise their level of understanding and to acquaint them with the complexities of social, economic, and political issues. The magazine was also written for politically advanced workers and for the council Communists themselves so as to improve the collective knowledge of the group. It was a forum for discussion, unhampered by any specific dogmatic point of view, and open to new ideas that had some relevance to the council movement. The magazine eventually succeeded in attracting contributions from Socialist writers who were not associated with the group. And it had, of course, at its disposal the work of some academic people, for instance, Anton Pannekoek (writing under the pseudonym J. Harper), an advocate of workers' councils since their very inception. Others, like Otto Rühle, had been active in the workers' councils in the German revolution. It

was Karl Korsch, however, who became *Living Marxism*'s most prominent academic contributor as well as theoretician of the council movement.

Because large-scale unemployment was the most important aspect of the depression years, it received special attention in *Council Correspondence*—particularly with regard to self-help organizations and direct actions that attempted to alleviate the miseries of the unemployed. Connected with this in a special sense, but also for general reasons, was a great concern with the inherent contradictions of the capitalist system and their unfolding in the course of its development. The nature of capitalist crisis was more intensely discussed, and on a higher theoretical level, than is generally the rule in labor publications, encompassing as it did the most recent interpretations of Marxist economic theory and its application to the prevailing conditions. The various articles devoted to this subject make their perusal highly rewarding even today, since they have lost neither their actuality nor their validity.

In political terms, the rising tide of fascism, and thus the certainty of a new world war, occupied most of the space in *Council Correspondence*—not only with regard to the European scene but also with respect to its interconnections with Asia and the United States. From its earliest beginnings, German "National-Socialism" was recognized as preparation for a war to redivide economic power on a worldwide scale favoring German capitalism. The reactions to Fascist imperialism were considered as being equally determined by competitive capitalist interests. Fascism and war were seen as directed against the international working class, for both attempted to solve the crisis by capitalistic means in order to sustain the capitalist system as such.

The anti-Fascist civil war in Spain, which was immediately a proving ground for World War II, found the council Communists quite naturally—despite their Marxist orientation—on the side of the anarcho-syndicalists, even though circumstances compelled the latter to sacrifice their own principles to the protracted struggle against the common Fascist enemy. The essays devoted to the civil war were of a critical nature and for that reason possessed a high degree of objectivity, which made the failure of anti-fascism—as a

mere political movement—more explicit. Not only were the political-military struggles, foreign interventions, and frictions within the anti-Fascist camp adequately dealt with, but even more attention was given to the short-lived collectivization of industry and agriculture in the anarchist-dominated centers of revolutionary Spain.

Insofar as the problem of the collective economy has been dealt with at all in nineteenth-century Socialist literature, it was in terms of the nationalization of productive resources and government control of production and distribution. Only with the Russian Revolution did this problem assume actual importance, even though the socioeconomic conditions in Russia allowed for no more than a state-controlled economy that retained all the essential economic categories of capital production. This system may best be described as state capitalism. In spite of its differences from the capitalism of old, it was, as far as the working class was concerned, merely another system of capitalist exploitation. The council movement did not recognize its planned economy as either a Socialist economy or a transition to such an economy, and opposed it not merely by denunciation but by developing its own concept of a Socialist society as a free association of producers in full command of all decisioning power connected with the production and distribution process.

The organization of socialism was, then, a recurrent theme in *Council Correspondence* and *Living Marxism,* for the questions it raised could be answered neither by the localized collectivization of economically backward Spain nor by the centralized government planning in equally economically backward Russia. Quite generally, however, Russia's state capitalism was either bewailed or celebrated as the realization of socialism—or, at any rate, as the road leading to it—and this illusion, though aiding Russian state interests, was detrimental to the international labor movement. It was the function of council communism, through its publications, to aid in the destruction of this illusion. There was no longer an urgent need to oppose social democracy. It had already, through its own practices, demonstrated its non-Socialist character and was now in the process of shedding its Socialist ideology as well. This,

however, gave the no less counterrevolutionary activities of international bolshevism an unwarranted nimbus. Much space was, therefore, given to analyses of both the theory and practice of bolshevism, going back to its earliest critics, such as Rosa Luxemburg, and bringing this criticism forward by following the history of bolshevism down to World War II. This criticism was all-inclusive, philosophical, political, economical, and organizational, and expressed at an early date what became, only much later, a more widely accepted recognition of the true nature of bolshevism.

Criticism of the old labor movement, whether reformist or revolutionary in its tactics, did not exhaust the repertoire of *Council Correspondence*. Many of its articles and essays dealt with issues of a scholarly nature of more general interest, ranging from problems of psychology, sociology, and literature to such items as geopolitics, nationalism, and imperialism. Quite a number of these essays have been steadily reprinted by other publications and have served different authors as material for their own productions. Yet, for some years after World War II, the ideas propounded in the publications of council Communism seemed to be totally lost. Since then, however, a new interest in workers' councils has brought into being a great international library devoted to the subject and its history. This new interest was undoubtedly fostered by the institutionalization of workers' councils, shop stewards, and workers' committees in almost all the west-European nations, by the rather emasculated workers' councils in the Yugoslav "market socialism," and, last but not least, by their emergence as revolutionary organizations in the recent social upheavals in "Communist" Poland and Hungary. In view of this situation, this reprint of *International Council Correspondence* and its successors is not only of historical interest but may, in a small way, throw some light on the potentialities of a future labor movement.

—Paul Mattick
Cambridge, Massachusetts, 1969

NOTE

1. *Radical Periodicals in America, 1890-1950,* published by Yale University Library, 1964, states erroneously that council Communists "never affiliated with any major party," and that the "great majority of its members were former members of the *German Sozialistische Arbeiter-Partei.*" However, council communism was the program of the first west-European Communist parties before they were changed into parties of the Leninist type to fit them into the Third International. As regards the American group, none of its members had belonged to the *Sozialistische Arbeiter-Partei,* which held a position midway between social democracy and Bolshevism. The few Germans in the American group came from the German council movement. The large majority were native workers, and those with a political background came either from the Industrial Workers of the World or from the left wing of the Proletarian party—the most "American" of the three Socialist groups that had vied for Russian acceptance as the "official" Communist party.

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ENGLISH EDITION

For Theory and Discussion

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Future of the German Labor movement.

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Reports and announcements.

OCTOBER, 1934 -- No. 1

UNITED WORKER'S PARTY

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FOR THEORY AND DISCUSSION

International Council Correspondence

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OCT. 1934.

WHAT IS COMMUNISM?

In communism, the process of production is no longer a process of capital expansion, but only a labor process in which society draws from nature the means of consumption which it needs. No longer are values produced, but only articles for use. As an economic criterion, the necessity of which is undeniable, since both production and the productive apparatus must be made to conform to the social need, the only thing which can still serve is the labor time employed in the production of goods. It is no longer the 'value' but the calculation in terms of use articles and the immediate labor time required for their production which is the necessary form of expression of a regulated communist economy.

And so, from the standpoint of Marxism, the Russian experiments in planned economy are not to be rated as socialistic. The Russian practice is not directed according to communist principles, but follows the laws of capitalist accumulation. We have here, even though in modified form, a surplus-value production under the ideological camouflage of "socialist construction". The wage relation is identical with that of capitalist production, forming also in Russia the basis for the existence of a growing bureaucracy with mounting privileges; a bureaucracy which, by the side of the private capitalist elements which are still present, is strictly to be appraised as a new class appropriating to itself surplus labor and surplus value. From the Russian experience no positive conclusions can be drawn which have a relation to communist production and distribution. It still offers only examples of the way in which communism can not be developed.

The decisive problems of a communist economy do not come up until after the market, wage labor, money, etc., have been completely dispensed with. The very fact of the existence of the wage relation signifies that the means of production are not controlled by the producers, but stand over against them in the form of capital; and this circumstance further compels a reproduction process in the form of capital accumulation. This latter is, by the Marxist theory, beside and because of its validity as a law of crises and collapse, at the same time the accumulation of misery, and hence also the Russian workers are

actually growing poorer at the same rate as capital accumulates. The productivity of the Russian workers increases faster than their wages; of the increasing social product they receive a relatively ever smaller share. To Marx this relative pauperization of the working population in the course of accumulation is only a phase of the absolute pauperization; it is only another expression for the increasing exploitation of the workers, and to denominate this as the "growth of socialism" is after all hardly possible.

The gist of the Bolshevist "theory of socialization" may be sketched as follows: With the revolutionary overthrow, i.e. the expropriation of capital, the power over the means of production and hence the control over production and the distribution of the products passes into the hands of the state apparatus. This latter then organizes the various branches of production in accordance with a plan and puts them, as a state monopoly, at the service of society. With the aid of statistics, the central authority computes and determines the magnitude and kind of production, as also the apportionment of the products and producers.

To be sure, the means of production have here passed from the hands of the private entrepreneurs into those of the State; as regards the producers, however, nothing has changed. No more than under capitalism do they themselves exercise the command over the products of their labor, for they still lack the control over the means of production. Just as before, their only means of livelihood is the sale of their labor power. The only difference is that they are no longer required to deal with the individual capitalist, but with the total capitalist, the State, as the purchaser of labor power. In the mind of the Bolshevist theoretician, as in that of the Social Democrat, monopoly capitalism has already made production "ripe for socializing"; the only thing left to do is to give a "socialistic" form to distribution. The decisive aspect of the matter here is the organizational-technical side of the production process; the side developed by monopoly capitalism or to be copied from it, instead of the tryly basic factor of communist economy: the economic relation between product and producer.

The conception that the mere centralization of the means of production in the hands of the State is to be regarded as socialization precluded the practical employment of an accounting unit in keeping with a communist mode of economy. Centralized power over social production and distribution admitted of no form of accounting by which an uninterrupted economic process was possible as a substitute for money economy, The Russian attempts at a natural economy during the period of "war communism" completely miscarried. Money accounting had to be re-established.

Under capitalism, the means of production (mp) and labor (l) appear as constant (c) and variable (v) capital. The values c/v can be applied capitalistically only so long as they produce surplus value (s). The capitalistic formula of production is c/v/s. It is only because mp/l appear as c/v, that it is possible to attain s. If c/v drops out, so also does s, and vice versa. What remains is the concrete, material form of c/v, that is mp/l, the means of production and labor. The communist formula of production is - mp/l.

The development of mp and l proceeds in any society; it is nothing other than the "material interaction between man and nature". The formula c/v/s, however, is historically bound up with capitalist society. If under capitalism it was only the interest in s which determined the development of c/v, since here the need for the expansion of capital prevails over the social needs, under communism on the other hand, it is only the social needs which determine the development of mp/l. The formula c/v/s presupposes exchange between the owners of c/v and the owners of l. Of c/v is lacking, so also is this exchange. It is not until mp has ceased to confront the workers in the form of capital, when it remains merely as the tool of society and is nothing else, that it is possible to speak of a communist economy. Labor time as the unit of reckoning would play a double role in the communist economy:

> "Its apportionment in accordance with a definite social plan maintains the proper proportion between the different kinds of work to be done and the various wants of the community. On the other hand, it also serves as a measure of the portion of the common labor borne by each individual, and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, with regard both to their labour and to its products, are in this case perfectly simple and intelligible, and that with regard not only to production but also to distribution". (Capital,- Vol. I - Page 90 - 91).

Taking the social average working hour as the computing unit of communist society, it must be capable of embracing all categories of production and distribution. The working hour unit must be applicable, that is, to the quantitative consumption, the quantitative reproduction and the quantitative expansion of the productive forces. Rach enterprise must determine the number of working hours it consumes, so that they can be replaced in the same magnitude. Computation by working hours is not difficult, as all the presuppositions for it have already been formed by capitalist cost accounting. In particular, the capitalist process of rationalisztion has developed computing methods which are capable of getting at the cost price both as a whole and alsо down into the last detail. And while these computing methods are today related to the common denominator of money, their conversion into the working hour is attended by no difficulties.

The production formula of any enterprise, as also that of society as a whole, is very simple. We have already stated it as follows: mp/l: product. With the aid of the means of production, human labor produces a quantity of goods. We distinguish between two different kinds of means of production: fixed and circulating. So we broaden our formula in accordance with this distinction.

mp	+	r	+	l
machines, etc.		raw material, etc.		labor power
10,000 working hours		70,000 working hours		70,000 working hours

Assuming that these figures are applicable to a shoe factory: mp/r/l: product -- 10,000+70,000+70,000: 50,000 pairs of shoes in 150,000 working hours, or an average of three working hours is consumed in each pair. In this production formula we have at the same time the reproduction formula for simple reproduction. We know how

many labor hours were withdrawn from this factory for the production of 50,000 pairs of shoes. The same number of labor hours must accordingly be restored to it. And what holds for the single enterprise holds also for the whole of society, which of course is only the sum total of all enterprises. The total social product is the product of mp/r/1 of all enterprises. To distinguish the production formula of the single enterprises from that of society as a whole, we select capital letters for the latter. The formula for the social product (SP) then reads: MP+R+L=SP. Assuming MP (the sum of all the fixed means of production) to amount to 100 million labor hours, the corresponding sum R to amount to 600 million, and the labor time consumed to be equal to 600 million, we have the following for the total product: MP/R/L=SP - 100/600/600=1300. Of the total production of 1300 million labor hours, in conditions of simple reproduction, (i.e.-when no expansion of production occurs), we assume that 600 million labor hours are turned over to the consumers in the form of means of consumption.

The application of the social average labor hour as the computing unit presupposes the existence of workers' councils (soviets). Each enterprise comes forward as an independent unit and is at the same time, as we shall show later, connected with all the other enterprises. As a result of the division of labor, each factory has certain end products. With the aid of the production formula mp/r/l each enterprise can compute the labor time contained in its end products. In the shoe factory taken as an example, the end product-(one pair of shoes)-contains an average of three working hours. This average can be found for each product in each enterprise. The end product of an enterprise, insofar as it is not destined for individual consumption, goes to another enterprise either in the form of mp or r, and this one in turn computes its end products in labor hours. The same thing holds for all places of production, without regard to the magnitude or kind of their products.

When the individual enterprises have determined the average labor time contained in their products, it still remains to find the social average. All enterprises of the same nature, i.e.-turning out the same kind of products, must get in touch with each other. From the individual enterprises of a determinate industry, in a given territory, will be derived the total average of all the given averages (average of averages) for these enterprises. To take a rough example: if 100 shoe factories strike an average of three hours, 100 others an average of two, then the general average for a pair of shoes is 2-1/2 hours. The varying averages result from the varying productivity of the individual enterprises. Though this is a condition inherited from capitalism, and the differences in productivity will slowly disappear, the deficit of one enterprise must in the meanwhile be made up through the surplus of the other. From the standpoint of society, however, there is only the social average productivity. The determination of the social labor time calls for the cartellisation of the individual enterprises. The opposition between the factory-average and the social-average labor time comes to an end in the production cartel.

The social average labor time decreases with the development of the productivity of labor. If the product thus "cheapened" is one for individual consumption, it goes into consumption with this reduced average. If it is an end product used by other enterprises as means of production, then the consumption of mp/r for these enterprises

falls, the production"costs" decline and hence the average labor time for the products of these enterprises is reduced. The matter of compensating for the variations caused in this way is a purely technical problem which presents no special difficulties.

If the working hour serves as a measure of production, it must likewise be applicable to distribution. A very clear statement of this unit is given by Marx:(Critique of the Gotha Programme, page 29) -

> "What the producer has given to society is his individual amount of labor. For example: the social working-day consists of the sum of the individuals' hours of work. The individual working-time of the individual producer is that part of the social working-day contributed by him, his part thereof. He receives from society a voucher that he has contributed such and such quantity of work (after deductions from his work for the common fund) and draws through this voucher on the social storehouse as much of the means of consumption as the same quantity of work costs. The same amount of work which he has given to society in one form, he receives back in another".

The specialization of labor makes necessary the use of some sort of certificates for drawing from the fund of social articles of consumption. Each producer receives a number of these certificates corresponding to the number of hours of labor he has performed. These certificates may be called labor money, though they are not money at all in the capitalistic sense. "The producers", writes Marx, "may eventually receive paper checks, by means of which they withdraw from the social supply of means of consumption a share corresponding to their labor-time. These checks are not money. They do not circulate." (Capital, Vol. 2 - page 412).

The workers cannot, however, receive the full output of their labor. The labor time is not the direct measure for the part of the social product destined for individual consumption. As Marx goes on to explain:

> "Let us take the words "proceeds of labour" in the sense of the product of labour, thus the co-operative proceeds of labour is the <u>total social product.</u>
> But from this must be deducted: firstly, Reimbursement for the replacement of the means of production used up; secondly, an addition portion for the extension of production; thirdly, reserve or insurance funds to provide against misadventures, disturbances through natural events, and so on."

There is left the other portion of the total product which is meant to serve definitely as means of consumption. But before this can go for individual consumption there has to be taken from it yet: firstly, the general costs of administration not appertaining to production; secondly, what is destined for the satisfaction of communal needs, such as schools, health services, etc.; thirdly, funds for those unable to work, etc., in short, what comes under the heading of so-called official poor relief today.(Critique of the Gotha Programme - page 27.)

Those institutions which produce no tangible goods (cultural and social establishments) and yet participate in the social consumption may be reckoned as enterprises. Their services go over into society without delay; production and distribution here are one. In the case of these enterprises, the final goal of communism, the "taking according to need", is already actualized; their distribution is governed by no economic measure. We call these <u>public enterprises</u>, or enterprises for general social labor (GSL). Communist accounting is complicated by the existence of these GSL enterprises just as it

was by the varying productivity of the single enterprises. Everything which the public enterprises consume must be drawn from the stores of the productive enterprises.

Going back to our production formula for society as a whole: (MP/R)/L = mass of products, or (100+600)/600=million working hours. Mp and R have to be reproduced; there remain, of the total mass of products, 600 million working hours. The GSL enterprises take from these 600 million their means of production and raw materials. It is accordingly necessary to know the total consumption of these public enterprises. If we designate the means of production for the public enterprises as MPs, the raw materials as Rs and the labor power as Ls, we get the following total budget for GSL: (MPs/Rs)/Ls=services of the GSL, or (for example - 8 million / 50 million = 108 million labor hours.) From the 600 million labor hours to be consumed, 58 million must be deducted for MPs and Rs of the GSL enterprises. There remain 542 million labor hours for the individual consumption of all workers. In the productive enterprises the workers were employed 600 million hours, and in the GSL enterprises 50 million. Of the total output of labor power there is available for individual consumption, accordingly, only 542/650 or 83%. We call this proportion the "factor of individual consumption" (FIC). The formula for FIC is: L-(MPs/Rs) over L / Ls. Or employing the figures assumed in our example:

$$\frac{600 \text{ million} - 58 \text{ million} = 542 \text{ million}}{600 \text{ million} / 50 \text{ million} = 650 \text{ million}} \quad 0.83$$

If a worker has worked 40 hours, he receives a labor-money certificate in the amount of 0.83 x 40 = 33.2 which he exchanges for such articles as he pleases. This computation is possible because all enterprises keep an account of their consumption in mp, r and l. The general social bookkeeping, which records all products, has at its disposal all data necessary for determining the payment factor, namely, L, MPs, Rs and Ls, which result from simple summation in the current account.

In the GSL enterprises, the "taking according to needs" was, as we have seen, already realized. With the growth of communism, this type of enterprise receives an ever increasing extension, means of consumption, dwelling, passenger transport, etc. The more society grows in this direction and the more enterprises are transformed into the GSL type, the less will individual labor be the measure for individual consumption. This tendency serves to illustrate the general development of communist society.

With the development of communism, the accounting for FIC changes. Various enterprises, such as an electric plant, work in part for individual consumption and in part for purely productive purposes. To refer to our example: if the consumers are now supplied with electricity free of charge, the electric plant belongs to a new type of enterprise. For accounting purposes, these mixed enterprises must be included either under those of the productive or of the GSL type. This electric plant must receive back from the FIC the deliveries of current, expressed in working hours, going into the individual consumption. The addition of these parts of all mixed enterprises gives the deficit to be made up by the FIC. If we call this part the general deficit (D), we have a new distribution formula: FIC = L-(MPs/Rs)-D over L/Ls.

A number of variations are possible here, depending on whether we assign the mixed enterprises to the public or to the productive ones or divide them between the two. But these variations do not affect the clarity of the general view.

When the relation between producer and product is established, the question of the horizontal and vertical grouping of the enterprises becomes a technically soluable one, which from the economic point of view presents no difficulties. Distribution also, like production itself, is a social question. The "expenses" of distribution are included in the general budget for GSL:that is to say, the organs of distribution are enterprises of the GSL type, which likewise conduct their accounting according to the formula mp/r/l.

The conditions of simple reproduction, with which we have been working so far, are after all only a methodological assumption employed for the sake of simplicity and have no basis in actual fact. Human progress demands the expansion of the productive forces; the process of reproduction must be accomplished on a broader scale. Under capitalism, this process which goes on in terms of accumulation of capital, is the individual function of the various capitalistic enterprises. In communism, however, it is a social function. Of the social product a part is here employed for the further expansion of the productive apparatus. If this expanded reproduction is to be a conscious action, however, it is necessary to know the social labor time required for simple reproduction. The formula for simple reproduction is: MP/R/L. If the material apparatus of production is to be expanded by 10%, a mass of products of this amount must be withdrawn from individual consumption. When this "accumulation" has been accomplished, production proceeds according to the formula: 1.1 (MP/R)/L. We have already shown that the social product is completely taken up by society when the individual consumption proceeds according to the formula FIC = $\frac{L-(MPs/Rs)}{L/Ls}$.

This individual comsumption must now be further diminished by 0.1 (MP/R). In the case of a 10% expansion of production, we then get the formula: FIC = $\frac{L-0.1\ (MP/R)-(MPs/Rs)}{L/Ls}$. This general formula does not take the place of the concrete solution of the problem in actual reality, but within the scope of this work we must be content with it and merely refer further to Marx: "If we assumed that society were not capitalistic, but communistic, then the money-capital would be entirely eliminated, and with it the disguise which it carries into the transactions. The question is then simply reduced to the problem that society must calculate beforehand how much labor, means of production, and means of subsistence it can utilize without injury for such lines of activity as, for instance, the building of railroads, which do not furnish any means of production or subsistence, or any useful thing, for a long time, a year or more, while they require labor, and means of production and subsistence out of the annual social production." (Capitol, Vol.2 - Page 361).

Let us consider this example. If the construction of a railway proves necessary, the work involved velongs to the GSL part of the social production. If it consumes, for example, three years of labor in a certain number of working hours, this sum is deducted yearly by charging it to the GSL account, from the factor of individual consumption (FIC).

In the relations between the individual enterprises, labor-time money is superfluous. When an enterprise delivers its end products, it has linked mp/r/l working hours to the great chain of partial social labors. These must be restored to the various enterprises in the same magnitude in the form of other end products. The labor money is valid only for individual consumption. As more and more en-

terprises are brought into GSL production, distribution by means of labor money grows less and less, and rushes on to its own abolition. Fixing the factor of individual consumption is the task of social-bookkeeping. On the credit side of the social bookkeeping stands L; on the debit side MPs, Rs, and Ls. "Bookkeeping asa control and abstract summary of the economic process," says Marx, "becomes the more necessary to the extent that the process functions on a social scale and loses its purely individual character. If is, therefore, more necessary in capitalist production than in scattered handicraft and agricultural production, and still more necessary in co-operative than in capitalist production." This bookkeeping under communism is merely bookkeeping and nothing else. It is the central point of the economic process, but has no power over the producers or the individual enterprises. The social bookkeeping is itself only an enterprise of the GSL type. Its functions are: the registration of the stream of products, the fixing of the FIC, the outlay of labor-time money, the control over production and distribution. The control of the labor process is a purely technical one, which is handled by each enterprise for itself. The control exercised by the social bookkeeping extends only to accounting for all receipts and deliveries of the individual enterprises and watching over their productivity.

The control of production in the society of free and equal producers does not come about through persons and authorities, but is conducted through the public registration of the objective course of the productive process; that is, production is controlled through reproduction.

The different industrial organizations turn their production budgets over to the enterprise which conducts the social bookkeeping. From all the production budgets results the social inventory. Products in one form flow to the enterprises; new ones in another form are given out by them. Each conveyance of goods is recorded in the general social bookkeeping by an endorsement, so that the debit and credit of any particular enterprise at any time can be seen at a glance. Everything which an enterprise consumes in the way of means of production, raw material or labor money, appear on the debit side of the enterprise; what it has turned over to society in the form of products appears as a credit. These two items must cover each other continuously, revealing in this way whether and to what extent the productive process is flowing smoothly. Shortage and excess on the part of the enterprise becomes visible and can be corrected. If an enterprise is unable to maintain its productivity, if that productivity declines, then the other enterprises, even though they work beyond the s/a. production time, cannot cover the shortage of the first one. The comparatively unproductive enterprise is unable to reproduce itself, the malfunction becomes visible and can be remedied by society. The control of the GSL enterprises runs parallel in part with that of the productive ones. It results from the material production, through the registration of the articles turned over to them and the receipt of labor money. The product of the GSL enterprises, however, goes into society "gratuitously", so that for these enterprises the credit factor is lacking in their bookkeeping. The control of their productivity will probably only be possible with the aid of comparative investigations.

While under capitalism the category s.a. labor time is dependent on "value", in communism it is only a matter of the labor embodied in goods turned out. And while social productivity under capitalism has

to be regulated by the market, which involves a gigantic waste of the social forces of production, in communism the lower_ing of the s.a. production time is a conscious, socially-regulated act. It leads to a general drop in the times of production. If, for example, an enterprise has reckoned its means of production at 100,000 labor hours, and if we assume that these instruments have a ten-year span of life, then 10,000 working hours are to be added on yearly to the products of this enterprise. If the s.a. reproduction time of the means of production employed in this enterprise declines, then in its process of reproduction it can fashion better or more machines and thus increase its productivity, which in practice means expanding the productive apparatus without the expenditure of extra labor. The production time for this enterprise has changed. Since the s.a. reproduction time is observed, the only change is in the productivity factor of this enterprise. The s.a. production time of the cartel with which the enterprise is connected always remains the same as the reproduction time, since the means of production, too, flow in a continuous stream through all the enterprises. The lowest social reproduction times blend again and again in the process of production with the s.a. reproduction time.

By way of summary, it may be said:

"The basis of the s.a. reproduction time is the s.a. working hour. This category is already valid even in capitalism. Even now the individual differences find no expression in the commodity, for the product is converted on the market into money; that is, transformed into the general commodity, by which all individual differences are abolished. In communism, it is the s.a. reproduction time which embraces within itself all individual differences of slow and experienced workers, of capable and less capable, of manual and intellectual labor. The s.a. reproduction time is accordingly something which as such, as something special, does not exist. Like the laws of nature, which merely bring out what is general in the particular phenomena, without existing as actual laws, the s.a. working hour, which in the concrete sense has no existence, embodies what is general from among the enormous diversity in the material interaction of society".

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THE U. W. P. GROUPS.

Our group in Buffalo, N.Y., have conducted quite a few out-door street meetings this summer, and the workers responded by the hundreds. It was a relief for these audiences to hear something about their own <u>real</u> problems in contrast to the C.P. speakers, who incessantly harp on the beauties of "the Workers' Fatherland".--Our Buffalo group is organizing a class on "Revolutionary Marxism".

Our comrades in New York City are planning some very outstanding activity for the fall and winter season, and we will announce the events in this paper from time to time.

In Washington, D.C, the comrades have helped to prepare material for this issue, and have shown much willingness in supporting the Party.

The Chicago group opens its annual Worker's Forum on Sun. Oct. 7. It will continue every Sunday evening thru-out the winter. Oct. 8 a study class on Marxian Economics will commence. The regular weekly meetings of the group on Wed. evenings are much better attended now than during the summer months, and the comrades are enthusiastically active.

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FORTHCOMING ARTICLES IN THE COUNCIL CORRESPONDENCE.

The Labor Movement in England.

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Is The A. F. of L. a Labor Organization?

.....

Henryk Grossmanns Interpretation of the Marxian Theory of Accumulation and Collapse of the Capitalist System.

.....

Thesis on Bolshevism.
(Translated from the Dutch "Council Correspondence".)

.....

The present stand of the European Council Movement.

.....

Perspectives of the American Labor Movements.

.....

The Opposition Groups of the III International .

.....

Will there be an American Labor Party?

FOR THOSE WHO READ GERMAN:

"Ratekorrespondenz"(Theoretisches - und Diskussionsorgan fur die Ratebewegung) Herausgegeben von der Gruppe Internationaler Kommunisten Holland.
No.I : "Die Zusammenbruchstheorie des Kapitalismus". Eine kritische Auseinandersetzung Anton Pannekoek's mit dem Buche Henryk Grossmans "Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems" Weiterhin: "Die Wirtschaftslage im Nationalsozialismus".
No.2 : "Der Historische Materialismus" und " Hitler Deutschland im Zeichen des Zusammenbruchs".
No.3 : "Thesen uber den Bolschewismus". Eine umfassende und glanzende Darstellung des Bolschewismus vom Standpunkt der Ratebewegung.
No.4 : "Zu Pannekoeks Kritik in No.I der "Rate Korrespondenz". Paul Mattick antwortet Pannekoek vom Boden der Grossmannschen Interpretation der Marx'schen Akkumulationstheorie.

Jede Nummer IO cent. Portofrei. Bestellt bei "United Workers Par.
I604 N. California Ave., Chicago, Ill.

BESTELLT - LEST - Verbreitet -
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Geschaftsstelle: - 799 Broadway (Room 413) New York City.

THE FUTURE OF THE GERMAN LABOR MOVEMENT.

Any speculation regarding the possibilities of the German labor movement must take into account, not merely the aims of the various organizations, but the structural transformations in modern society during the last decade. This change in the economic setup, together with its political consequences, is likewise the indispensable key to the complete understanding of fascism.

In the present crisis, the monopolist form of economy develops within itself stagnating tendencies directed economically against the laissez-faire principle and politically against "formal democracy". The process of capital concentration, which continues during the crisis, acts as a spur to all social groups, though it is only the working class which can be moved into a genuine opposition to the existing order. The economic dependence of the middle class allows it no policy of its own; it develops only a backward ideology, since any social advance brings with it the downfall of this class as a special group.

The fact that the middle class has become the chief support of the fascist movement is only a sign of its own historical insignificance. The policies of the existing economic system can not be subordinated to the fascist ideology, and the louder that ideology cries, the more surely it also destroys itself. Being incapable of bringing about a revolutionary change in the economic system, fascism is compelled to follow laws which simply force the impoverishment of the middle class as well. The fascist movement must of necessity, in the course of developments, shrink to a fascist state apparatus which has openly to defend the interests of the economically strongest groups against society as a whole. Practically, fascism can only be appraised as the expression of the political necessities of the monopolistic groups during the crisis. It is nothing other than the compulsion to permanent terrorism against the working class; and this compulsion results from the fact that the further endangering of industrial profits by social unrest can no longer be tolerated, since the already insufficient profit brings into question more and more the continued existence of the economic system. Fascism, furthermore, has to wage the class struggle against the class struggle which it denies, so as to prepare the "nation" for the imperialistic clashes to be expected.

As a result of the conflicts of interests within society - conflicts deniable only in words, not in reality - fascism may change its leaders and symbols or may even under certain circumstances, as a result of new social upheavals, give place to a neo-democratic regime. But practically, this transformation would be nothing more than an exchange of leaders and symbols, since even the restored "democracy" would be compelled to adopt the fascist policies. Even a democratically "minded" state apparatus would have to protect the existing society with the necessary means, which today are means of terrorism. Without overlooking the differences between fascism and democracy, it may still be said that both these social forms, within the framework of the present system, have only the same possibilities of action, since politics is always dictated by the economic necessities.

From this standpoint, any struggle for democracy is only a pseudo struggle. And for this reason, such a struggle is quite out of the question for the workers, and can only be conducted by those groups which are willing to play capitalistic politics, that is, merely want to govern. This fight will not even be decided by the "fighters", but by the processes within the economic system. Only the false assumption that the present economy is still capable of further progressive development can feed the illusion of a new democratic era.

In Germany also, the real class struggle will not turn on the question of democracy, and all attempts to erect a new labor movement on this basis are doomed in advance. The efforts of the socialist movement to get a new lease of life through the radicalizing of its phraseology fall down on the objective impossibility of turning history backward. The demand for the rehabilitation of democracy is no less laughable than the faith of the fascist in the restoration of the "good old times".

The attempts of the various communist groups to build up illegal movements in the old party style show that they thoroughly share the illusions of the socialist movement. Nothing has changed as regards the idea held by these groups as to the role of the party. What was once legal shall now continue to function illegally in the same form. Theycompletely fail to see that the old party movement was just an expression of formal democracy, and could exist nowhere else. The party is bound up with democracy, the one is not possible without the other. Anyone who fancies that strong party organizations capable of playing a decisive role in history can be built up anew, such a person must necessarily, however much he may protest, believe in the possibility of a new democratic era, and, like the fascists and socialists, is merely intoxicating himself with traditions.

Nothing is more naive than the various assertions of the different political groups in Germany to the effect that they have so and so many thousands of illegal members in their ranks. These computations can only be made and peddled about in foreign countries. They are incapable of proof, and spring only from the competitive needs of the various parties in the countries which have not yet gone fascist. Those computations are dubious for the very reason that there is absolutely no way of making them; no controlled, illegal labor movement embraced on party principles exists in Germany.

It is true that the Communist Party succeeded, during the first few months of the dictatorship, in leading portions of its non-renegade membership to engage in pigmy demonstrations, in collecting dues from the membership, in prompting them to the distribution of leaflets, etc. But this activity was possible only because the fascist terror was still lacking in system, and we find that the communist activity let up in the same measure in which the fascist "Tcheka" spread its nets. This"revolutionary" spirit of the C.P. - a spirit which was asleep at the proper moment, because it did not want that moment to come - collapsed from its own senselessness. Thousands of fanaticized party hangers-on drifted into the concentration camps for distributing leaflets containing nothing more than the phrase, "Hands off the Soviet Union". The fluctuations in membership was peculiar to the C.P. The S.P. was composed of old fellows, incapable of changing,

while the C.P. was largely composed of younger elements which instead of convictions had only uniforms to change. These deserters made it all the easier for fascism to wipe out the illegal activity of the C.P. in the shortest conceivable time. The gladiator politics of the C.P. was not even the courage of despair, but served merely to justify the communist "thesis constructors", who of course had asserted that the rule of Hitler could only be of brief duration. The real relations of power contradicted this criminal policy designed to conceal embarrassing facts, and under the ax of the fascist executioners, the deepest-dyed party fanaticism went to pieces.

Though political groups were reorganized undergroung, the fascist police apparatus also adjusted itself to underground pursuit. Day after day occured, and still occurs, the arrest of officials, the suppression of meeting places, the seizure of contact men. What is built up today is tomorrow already destroyed. Slowly but with deadly certainty, the very beginnings of the illegal movement are blotted out. It was these circumstances which first clearly revealed how deep the national socialist ideology is still rooted even in the workers. They put themselves willingly at the service of the authorities for the purpose of exterminating "Marxism". A state of general distrust spread over the movement. One who still sat in the "party" councils today, might stand revealed as a Nazi tomorrow. The ideological sway of the Nazis over the great masses brought into the labor movement a state of oppressing resignation and a feeling for the necessity of long-term change of policy. Anything that escaped the hands of the Nazis reeks foul of this resignation. What remains is a very small circle of hounded revolutionists who, in view of the true situation, rightly continue for the present to keep their own company. The party, to them, apart from a few exceptions, means nothing any more. The "groups of five" include workers from the most disparate camps of the old labor movement. The groups themselves serve for the present merely to assure the mutual understanding of those engaged in the movement; they refrain from all outside activity.

Having shattered the old labor movement , Fascism neither can nor will permit the building up of another. What is more, with the further deepening of the crisis, the terrorism must still continue to grow sharper. The necessity of atomizing the masses politically or of binding them under the direct control of the fascist state apparatus does not, however, do away with the economic necessity of bringing them together in great numbers in the enterprises, industries, employment bureaus, labor service camps, etc. The impossibility of forming strong organizations does not abolish the class struggle itself; in the new situation, it will simply assume new forms. The absence of dominant, permanent organizations will and can only lead to the extension of the workers-council movement. The social development has reached a point which makes the council movement the natural and only possible one. What hitherto has been propaganda arises now from the relations themselves. Since the class struggle, viewed as the essential form of historical movement, is not susceptible of being forbidden, the struggle of the workers for their existence must take the spontaneous character under the fascist dictatorship and will be one with the organization. The councils exist only so long as they are in action; they are in action as soon as they exist. In order to be permanent, they have first to win. They are at the same time the realization of the united front since they are not bound together on the basis of ideologies, but are the expression of the material life needs of the combatants without regard to their ideology. They make a reality of what could hitherto be

valid only in words; namely, that the Revolution is not a party matter, but the affair of the class.

To avoid going off into empty speculation regarding the coming German labor movement, it must be realized that the period of disintegration of existing society constitutes a new historical epoch which follows its own laws and not those of the past. The old party movement which regarded itself as the decisive factor of the revolution was in reality only a child of aspiring capitalism; a child which the cannibalistic mother devours in the crisis. The setting in of this new epoch is necessarily bound up with the end of democracy and hence with the end of the previous labor movement. The past, to be sure, still weighs upon the present and leads to the building of neo-socialist, neo-communist and other such "neo" organizations, but all traditions must yield in the face of the changed circumstances. The world crisis is still in its first stage, the process of disintegration has only begun. The farther this process advances, the more must the terrorism against the workers be sharpened. But this terrorism serves for their political education. In the course of development, fascism will be compelled to destroy its own organizations; nature sets a limit even to the greatest joy in thralldom. Famishing fascists cease to be fascists. Resignation kills individuals, but not classes. Every attempt of the workers to ward off their impoverishment will be combated in the manner in which rebellions are put down. Thus even the most backward workers will be compelled, in order to save themselves, to act as if they were conscious revolutionists. Every assembly of workers becomes a reservoir of revolutionary energies. The weakness of the illegal organizations will not permit of any great degree of control over the masses. In committees of action and workers councils they will create their own form of organization and their own leadership. And it is only in these first beginnings and their quantitative growth that the revolutionary movement can be discerned.

The tempo of this development is determined by that of the period of disintegration. Unless there occurs a sudden and rapid deepening of the crisis or unless a new war fundamentally changes the whole world picture, nothing much of a surprising nature in reference to the labor movement will happen in Germany in the near future. Of a restoration of the labor movement upon the basis of the old, nothing of the sort need be looked for. So that, so far as concerns the party movement, one will have to deny its very existence. It is impossible to conceive of any way in which it could set itself up as a quite special group, since the movement is identical with the working class itself. And nevertheless, still more surprisingly than did the fascists, that movement will one day snatch the power into its hands.

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The October Issue of the MODERN MONTHLY contains, between other interesting articles, a criticism on the American Workers Party, by Paul Mattick, from the viewpoint of the council movement. Also a critique of Lewis Corey's book, "The Decline of American Capitalism" from the standpoint of over-accumulation.

UNITY FOR WHAT?

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Communist League and the American Workers' Party Move to Form New Party.

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According to the"Militant" (#37) the organizational unity of these groups is close at hand. The political bargainers are almost sure to put their deal through to the satisfaction of all concerned.The membership of both groups will be very happy, and they will be proud of a larger and more important organization. The Trotsky bodyguard will easily forget that only yesterday the Musteites were fakirs and political scoundrels. The Muste crowd will soon agree that Trotsky on the same side with their "American Lenin", the former and present Priest Muste is not so bad. Together they will fight for the American kind of a revolution, and celebrate the memory and bones of American Bourgeois rebels dead I50 years or more.

The whole matter is a joke, only indicating that by this merger they hope to stop the disintegration going on in both groups. It is of no importance to the working class, and as a matter of fact the workers ignore both of "the only ones". Divorced or combined, they have no future as their only weapons are outworn traditions which may still confuse part of the workers, but never really influence them.

Practically it may be summed up as an expression of the sound policy "for bigger and better business". As long as it is not positive that this unity will actually take place, it is not worthwhile to deal with it at great length. We will come back to the subject in one of the future issues of the C. C.

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WE WISH TO ANNOUNCE: -

A Monthly Organ of The International Communist Workers' Council Movement.

"LIVING MARXISM"

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A monthly magazine to be published beginning Jan.I,I935,"Living Marxism" will be unique insofar as it will not be restricted by party interests, will not serve the interests of any parasitic bureaucracy, or be obsessed by leader fetishism. It will deal with vital problems of interest to workers, and will publish only such material which will be of value in the revolutionary struggle for Communism. It will publish the never-mentioned opinions of Marxists like Rosa Luxemburg, Franz Mehring, Karl Liebnecht, Anton Pannekeok, Herman Gorter, and many others. "Living Marxism" has correspondents, revolutionary workers, and writers in almost every country. It will be able to present objective reports of the situations in the various countries,and on international scale. It will also bring forward the economic works of Henryk Grossmann and others, of the greatest importance for the international working class movement, which have been ignored and suppressed by the "official labor fakirs".

It will be published by the United Workers' Party of America in collaboration with the Groups of International Communists in Holland and Denmark, and the Council Movement in Germany,England, France,Bulgaria,Checho-Slovakia and Hungary.We can expect no help from the "official labor movement", so we ask for your support and subscription.Write to United Workers'Party - Chicago, Ill.

-THE STRIKE WAVE.-

The present strike wave is characterized by defeats and betrayals. The workers suffer defeats because of their insufficient and [illegible] treacherous organizations on the one hand, and because the capitalist class and its state cannot permit a victory to the workers on the other. Capitalism in the period of general crisis, must combat to its fullest extent any attempt by the workers to improve their conditions. Victory for the workers would mean endangering the position of capitalism. Every strike is practically lost in advance.

But this does not exclude the necessity of workers fighting every onslaught on their living standard. We must take part in every one of these struggles, and encourage the worker to fight, because the present strike wave in spite of its shortcomings is more important than the whole of the "official political movement" at this time. The fact that these strikes are destined for defeat or betrayal does not mitigate the revolutionary value of the struggle. We may point out that on the basis of the present labor movement no victory is possible, but we have to fight in all these labor struggle as they are, and not as we might want them. We must strive to hinder the labor fakirs from using these strikes to their own advantage, and this is best done by the most activity on the actual strike front.

The fight for existence is the fight of today; and the struggle for a new society can only grow out of these daily struggles. As these day to day struggles increase, and as the worker gains experience from the defeats, the fight changes its quality and becomes revolutionary leading to the overthrow of the present system. A communist may criticize and condemn the character of the strikes and the organizations involved, but he must take part in the strikes and fight for this is the shortest road to revolution in the declining period of capitalism.

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ANNOUNCEMENT: -- Do not fail to get the next issue of Council Correspondence (#2). It will be entirely devoted to the translation of the "Thesis on Bolshevism", consisting of ten separate articles on this subject, prepared jointly by the Group of International Communists of Holland. It is an exceptional and comprehensive history and analysis of Bolshevism. There will be only a limited amount of copies available, so order yours now!

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We recommend the next pamphlet to be published by: Polemic Publisher 673 Broadway, New York City, - "THE INEVITABILITY OF COMMUNISM", -25 A critique of Sidney Hook's "Interpretation of Marx" by Paul Mattick It is written from the view-point of the United Workers' Party of America, and deals with almost every aspect of revolutionary Marxism Should be in the hands of every Marxist.

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To be published soon by United Workers' Party: - "WHAT NEXT FOR THE AMERICAN WORKER?" - - A pamphlet dealing in a simple manner with the needs and future of the American labor movement.

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We still have some copies of:
"World-Wide Fascism or World Revolution" - 10¢
"Bolshevism or Communism" - 5¢-

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COUNCIL CORRESPONDENCE

ENGLISH EDITION

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The Uprising of the Dutch Unemployed in Amsterdam.

French Trotskyites go over enmass to the Socialist Party.

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NOVEMBER, 1934 -- No. 2

UNITED WORKER'S PARTY

-THE STRIKE WAVE.-

The present strike wave is characterized by defeats and betrayals. The workers suffer defeats because of their insufficient and [illegible] treacherous organizations on the one hand, and because the capitalist class and its state cannot permit a victory to the workers on the other. Capitalism in the period of general crisis, must combat to its fullest extent any attempt by the workers to improve their conditions. Victory for the workers would mean endangering the position of capitalism. Every strike is practically lost in advance.

But this does not exclude the necessity of workers fighting every onslaught on their living standard. We must take part in every one of these struggles, and encourage the worker to fight, because the present strike wave in spite of its shortcomings is more important than the whole of the "official political movement" at this time. The fact that these strikes are destined for defeat or betrayal does not mitigate the revolutionary value of the struggle. We may point out that on the basis of the present labor movement no victory is possible, but we have to fight in all these labor struggle as they are, and not as we might want them. We must strive to hinder the labor fakirs from using these strikes to their own advantage, and this is best done by the most activity on the actual strike front.

The fight for existence is the fight of today; and the struggle for a new society can only grow out of these daily struggles. As these day to day struggles increase, and as the worker gains experience from the defeats, the fight changes its quality and becomes revolutionary leading to the overthrow of the present system. A communist may criticize and condemn the character of the strikes and the organizations involved, but he must take part in the strikes and fight for this is the shortest road to revolution in the declining period of capitalism.

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ANNOUNCEMENT: -- Do not fail to get the next issue of Council Correspondence (#2). It will be entirely devoted to the translation of the "Thesis on Bolshevism", consisting of ten separate articles on this subject, prepared jointly by the Group of International Communists of Holland. It is an exceptional and comprehensive history and analysis of Bolshevism. There will be only a limited amount of copies available, so order yours now!

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We recommend the next pamphlet to be published by: Polemic Publisher 673 Broadway, New York City, - "THE INEVITABILITY OF COMMUNISM", -25 A critique of Sidney Hook's "Interpretation of Marx" by Paul Mattick It is written from the view-point of the United Workers' Party of America, and deals with almost every aspect of revolutionary Marxism Should be in the hands of every Marxist.

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To be published soon by United Workers' Party: - "WHAT NEXT FOR THE AMERICAN WORKER?" - - A pamphlet dealing in a simple manner with the needs and future of the American labor movement.

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We still have some copies of:
"World-Wide Fascism or World Revolution" - 10¢
"Bolshevism or Communism" - 5¢-

UNITED WORKERS' PARTY -- 1604 N. California Ave., - Chicago, Ill.

COUNCIL CORRESPONDENCE

ENGLISH EDITION

For Theory and Discussion

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NOVEMBER, 1934 -- No. 2

UNITED WORKER'S PARTY

AN APOLOGY.

In the first issue of Council Correspondence we announced that this issue would be devoted to the "Thesis on Bolshevism", a series of ten articles prepared jointly by the Group of International Communists of Holland. We are sorry to say that difficulties encountered in the translation of the thesis forces us to postpone this material to the next issue, number three - available Dec. I, 1934.

AN EXPLANATION.

In March 1934, the United Workers' Party published the pamphlet "World-Wide Fascism or World Revolution?" - the Manifesto and Program of the Party. This manifesto made a very general and brief analysis of the most important questions with no attempt to take up any subject in detail. It was hoped that subsequent booklets would treat each subject more fully, and cover other subjects not possible in the first pamphlet. The pamphlet "Bolshevism or Communism?" followed soon after, and took up the question of the role of the Party and the leaders in the revolutionary movement. The feature article in Council Correspondence #I, "What is Communism", helps to explain our attitude to the USSR. The main article in this issue elaborates the economic analysis in the manifesto. A popular pamphlet now gone to press entitled, "What Next For The American Worker?" will also deal with questions not given much space in the first booklet. Future issues of this paper, as well as the contemplated monthly journal "Living Marxism", to be published by the United Workers' Party in collaboration with the European groups, will take up in detail for discussion all the questions and problems of vital import to the Revolutionary Proletariat.

For Theory And Discussion

INTERNATIONAL COUNCIL CORRESPONDENCE

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THE PERMANENT CRISIS

Henryk Grossmann's Interpretation of Marx's Theory of Capitalist Accumulation.

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I.

According to Marx, the development of the productive forces of society is the motive power of historical development. In acquiring new productive forces men change their mode of production, and in changing their mode of production, their manner of gaining a living, they change all their social relations. The transformation of the spinning wheel, the hand-loom and blacksmiths sledge, into the self-tending mule, the power-loom and the steam hammer was not only accompanied by a change of the small, individual shops of the craftsmen into huge industrial plants employing thousands of workers, but there also came with it the social overturn from feudalism to capitalism; that is, not merely a material revolution, but a cultural revolution as well.

Capitalism as an economic system had the historical mission of developing the productive forces of society to a much greater extent than was possible under any previous system. The motive force in the development of the productive forces in capitalism is the race for profit. But for that very reason this process of development can continue only as long as it is profitable. From this point of view, capital becomes a barrier to the continuous development of the productive forces as soon as that development comes into conflict with the necessity for profit. "Then the monopoly of capital becomes a fetter upon the mode of production which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument".

Marx always considers the economic laws of motion from two points of view: first, as "a process of natural history": second, in its specific, social form. The development of productive forces went on in every social system, a process consisting of an ever increasing productivity of labor due to better working tools and methods. The productive process under capitalism, in addition to producing the necessities of life, also produces value and surplus value, and it is only due to this fact that capitalism has been able to acceler-

ate the development of the productive forces so tremendously. They are not only machines, raw material and labor-power, but also capital. The development of the instruments of production means the expanding of production and reproduction of capital, and this is only possible when surplus value or profit is the result of the productive process of capital. By analysis of the process of producing surplus value, Marx finds the tendency of a conflict between the material productive forces and their capitalist integument. When insufficient surplus value results from production, if capital cannot be "utilized", there is no possibility of continuing the development of the productive forces. The capitalistic forms must burst asunder to make place for a higher, more advanced, economic and social system.

In the capitalist system wage labor is necessary for the production of surplus value. In buying labor power, the capitalist acquires the right to use it for his own benefit. By his labor, the worker is able to produce a greater value than he consumes, i.e.-he produces more value than the capitalist pays him in form of wages. Since the capitalist buys labor-power at its exchange value, and has full control of its use value, the result is the creation of surplus value out of which he takes a part for additional capital, for accumulation, pays interest to the banker and rent to the landlord, allows the merchant his commercial profit, and retains the rest for his own consumption.

All commodities have in common the quality of being products of labor; they are measured and exchanged in proportion to the socially necessary labor time incorporated in them; this includes also the commodity labor power. The development of the productive forces means increased productivity of labor, and increased productivity means less labor incorporated in each commodity, or less value, and consequently less surplusvalue. This decrease in the value of one single commodity can only be compensated by the increase of the quantities of commodities produced, which means an increase in the exploitation of labor. This is done by two mainmethods: by lengthening the working day("absolute surplus value"), or by shortening the labor time necessary for reproducing the wages of the workers ("relative surplus value"). If the lengthening of the working day is impossible, then there only remains the shortening of the necessary labor time which can only be done by decreasing the value of labor power. The decrease in the value of commodities is the only means of reducing the value of labor power, but this in its turn can only be the result of increased productivity. This process is, at the same time, an accelerator forcing technical development at an ever increasing tempo towards mass production and gigantic and costly machinery, concentrated in huge industrial plants, eliminating individual and small capitalists in favor of big capitalists and corporations.

Since wage labor is the source of his profit, the capitalist should be interested in exploiting as many workers as possible. The more workers, the more surplus labor and value, the more profit. But it is nevertheless a fact that from the very beginning of the capitalist epoch, the number of workers employed relative to the capital employed, has been falling. Even if their number has absolutely increased for a period, they have increased more slowly than capital

has accumulated. Today the number of workers employed has fallen, not only relatively, but absolutely. (Since 1918 the number of those employed in American industry has continuously decreased though production increased until 1929.) Increased productivity coupled with the process of concentration of capital thus results in a constantly growing mass of commodities produced by fewer and fewer workers, - increased production, in increased unemployment. This fact, in the face of the capitalist urgent need for more extensive exploitation, indicates the limits of capitalist production. The more exploitation is intensified, the faster these limits are reached. "The same circumstances which have increased the productive power of labor, augmented the mass of produced commodities, expanded the markets, accelerated the accumulation of capital, both as concerns its mass and value, and lowered the rate of profit, these same circumstances have also created a relative over-population and continue to create it all the time, on over-population of laborers who are not employed by the surplus capital on account of the low degree of exploitation at which they might employed, or at least on account of the low rate of profit which they would yield with the given rate of exploitation."

The law of value is, according to Marx, the regulator of the production of commodities and determines in what proportion the work of society is distributed, but this only holds good for society as a whole, not for individual capitalist units. In reality the law of value is only enforced through the competition of individual enterprises; actual exchange of commodities does not take place according to value, but according to price of production. If one capitalist sells above value, another capitalist sells below. Competition, which results in the establishment of the average rate of profit, also established the law of value as the final and general law which underlies the sum total of individual transactions at the prices of production.

Without this, the rate of profit would differ from one branch of production to another according to the rate of surplus value, period of capital turn-over, and the organic composition of capital. The greater the rate of surplus value, the higher the rate of profit. (The rate of surplus value or exploitation is the surplus value divided by the capital invested in wages, - the variable capital. The rate of profit is the surplus value divided by the total capital including constant capital: - means of production, and variable capital.) The quicker the turn-over of capital, - i.e., the quicker the capitalist gets his capital outlay plus surplus value back, - the higher the rate of profit, and vise versa. The ratio between the means of production and labor power, expressed in value form as constant and variable capital, we call the organic composition of capital. The higher the organic composition, the lower the rate of profit.

As not only the rate of profit for individual capitals, but also the <u>average rate of profit</u> continuously sinks on account of the rise in the organic composition of capital, small capitals would be destroyed if they were unable to increase their capital sufficiently. The existence of the capitalist depends on a continuous increase of his capital by lowering production costs below normal. He strives to gain on extra profit by producing and selling his products over their individual but below their social value. Each capitalist has of necessity the same desire and so each capitalist must accumulate.

If he stops reinvesting part of his surplus value in his enterprise, he runs the risk of his capital becoming valueless, if its technical form is falling behind the general development of the productive forces. This fact results in again raising the organic composition and further lowering the rate of profit, and thereby hastens the tempo of development by stimulating the search for extra-profit. To resist would mean economic suicide for the capitalist.

To understand the action of the law of value and accumulation, we must first disregard these individual and external movements, and consider accumulation from the point of view of total capital, since the total social capital values and total prices are identical. "The most important factor in this inquiry is the composition of capital and the changes it undergoes in the course of the process of accumulation". In the capitalist mode of production, and in that alone, is the development of the productive power not only expressed as a growth of means of production in order to have more results with less labor, (as it is expressed in all economic systems) but as a rise in the organic composition of capital, more constant capital, less variable capital and a consequent falling rate of profit. "A fall in the rate of profit and a hastening of accumulation are insofar only different expressions of the same process as both of them indicate the development of the productive power. Accumulation in its turn hastens the fall of the rate of profit, inasmuch as it implies the concentration of labor on a large scale and thereby a higher composition of capital".

The fall in the rate of profit is at the same time accompanied by an increase in the mass of profit as long as capital accumulates faster than the rate of prpfit falls. The sinking of the rate of profit and the growth of the mass of profit are therefore both caused by capitalist accumulation. At the same time the sinking rate of profit acts as an index to the relative fall of the mass of profit. When the accumulation of capital reaches a certain point, the mass of profit will fall not only relatively to the total capital invested, but also absolutely; a larger social capital will bring an absolutely smaller profit. But this point only appears at the end of a certain period of accumulation. Up to that point, "the same development of social productivity of labor expresses itself in the course of capitalist production on the one hand in a tendency to a progressive fall of the rate of profit, and on the other hand in a progressive increase of the absolute mass of the appropriated surplus value, or profit; so that in the whole, a relative decrease of variable capital and profit is accompanied by an absolute increase of both."This is the characteristic expression of the progressive development of the productive power of labor under the capitalist mode of production.

II.

Accumulation and Crisis.

The fall in the rate of profit has thrown bourgeois economy out of balance. For Marx "the falling rate of profit turns into an antagonism of this mode of production at a certain point and requires for its defeat periodical crisis." Accumulation and a higher organic composition of capital are identical. With it goes the fall of the rate of profit. With an organic composition (1:1) say 30 constant capital and 30 variable capital, and a rate of exploitation of 100%, the rate of profit will be 50%. With an organic composition (5:1) say 250 constant capital and 50 variable capital, and the same rate

of exploitation, the rate of profit will be 16.6%. (As stated before the rate of surplus value (here 100%) is determined by the proportion between the necessary and the surplus labor time. But the rate of profit is surplus value divided by the total capital; i.e.-constant and variable both.) In above example, both constant and variable capital is increased. Not only is the scale of production expanded, but the number of workers employed increased. We began with a low organic composition (1:1) and end with a high (5:1). This is both a cause and expression of the increased productivity of labor that also must be expressed in an increased rate of surplus value. We had a rate of surplus value of 100%, but the increased productivity shortens the necessary labor time and increases the rate of surplus value, which counteracts the fall of the rate of profit. If the rate of surplus value is increased from 100% to 300%, then even a high organic composition of capital (5:1) would yield the same rate of profit, that is 50%, as the low organic composition (1:1) with a rate of surplus value of 100%. Besides this, through the increased productivity of labor, the rate of surplus value may also rise due to other causes and thereby compensate for the increase in the organic composition. We shall later investigate this, but in whatever way this may be accomplished, the fact is that the falling rate of profit is accompanied by a rise in the mass of profit that counteracts the danger implied in a falling rate. But this growth of capital in turn implies a further fall in the rate of profit. Thus the sinking rate of profit creates further attempts to raise the surplus value as is actually the case.

Since at first the fall in the rate of profit is accompanied by an increase in the mass of profit, it is difficult to understand how the collapse of capitalism would result from the decline in the rate of profit, and what relation there is between periodic crisis and the falling rate of profit. An explanation of this connection has often been attempted, but all of those attempts have failed because in each case the explanation was based on, and limited to, the investigation of the falling rate of profit alone. Henryk Grossmann was the first to point out that the crisis and the final collapse must be explained not only by the falling rate of profit, the mere index of profit, but by the actual mass of profit underlying it. According to Marx, capitalist accumulation is determined not only by the rate of profit, but also by the mass of profit. In other words, the surplus value may absolutely increase, but it will nevertheless be insufficient for the needs of accumulation because the rising organic composition constantly swallows an ever greater part of surplus value.

Capital accumulation initiated a series of great booms interrupted by periodic crises. As the rate of accumulation grew, the intensity of the crises grew with it. The capitalist process of reproduction repeats itself, not in the form of a circle, but as a spiral, narrowing to a point. The production of values must, due to its inherent contradictions, lead to its own negation; but only the accumulation of these contradictions can transform them into something qualitatively different: into revolution. The same laws which had at first constituted the motive forces of a rapid development of capitalism, now become the driving force of capitalist collapse. But this collapse does not develop evenly and in a straight downward line. It is continuously interrupted as capitalist reality modifies the general abstract law of capitalist accumulation. Marx elaborated no

special theory of crises, but his analysis of the laws of capitalist reproduction, or accumulation, was also a theory of crisis. Let us illustrate with an abstract table the law of capitalist reproduction.

In order that accumulation may be possible, the surplus value must be divided into three parts; one to be invested in additional constant capital, one in additional variable capital, and the remainder to be consumed by the capitalist class as individuals. During the rise of capitalism, variable capital grows as well as constant capital, only more slowly. We begin, in our table below, with an organic composition of 2:1. The constant capital grows at a yearly rate of 10%, the variable at 5%. The rate of surplus value remains 100%. (Constant capital we call C, variable V. The consumption fund of the capitalists is R. AC is surplus value available for accumulation of constant capital; AV for variable. The value of the yearly product we call VYP; the percentage of surplus value consumed by the capitalists we call R%; the rate for accumulation A%, the rate of profit P%.

Yr.	C	V	R	AC	AV	VYP	R%	A%	P%
I.	200,000	100,000	75,000	20,000	5,000	400,000	75.	25.	33.3
2.	220,000	105,000	77,750	22,000	5,250	430,000	74.05	25.95	32.6
3.	242,000	110,250	80,539	24,200	5,511	462,500	73.04	26.96	31.3
4.	266,000	115,762	83,374	26,600	5,788	497,524	72.02	27.98	30.3

We see how in this table accumulation increases in spite of a falling rate of profit. Accumulation pays for the capitalists, for while their revenue becomes smaller relative to the surplus value as a whole, it increases absolutely. During the first year the capitalists command 75,000 as revenue (R); during the fourth year, 83,374.

This table is a fiction that should in no wise be mistaken for reality. A progressively higher organic composition accompanied by a constant rate of exploitation is an impossibility, nay an absurdity. The table is only meant to illustrate the tendency of accumulation with no disturbing and complicating tendencies. Even with a constant rate of surplus value, accumulation can take place so much faster with an increased rate of exploitation. This table also reflects accumulation only in its value-form, not expressed in the quantity of use values; to express it thus, would cause many modifications. The devaluation of capital necessarily connected with accumulation here has been disregarded.

If we, like Henryk Grossmann, extend this table to the 35th year, we shall be able to show if not actual capitalist accumulation, at least its "inner law". But to arrive at capitalist reality, we must in addition to basing ourselves on the inner law of capitalist accumulation also take into account the elements disregarded in the illustrating table. It must be borne in mind, however, that the elements disregarded in the table only determine the tempo of the process of accumulation, either hastening or slowing it down; but in either case the process remains essentially the same. Let us follow the table:

Yr.	C	V	R	AC	AV	VYP	R%	A%	P%
5.	-23[illegible],600	121,550	86,213	29,260	6,077	535,700	70.93	29.07	29.3
6.	-321,850	127,627	89,060	32,186	6,381	577,114	69.70	30.30	28.4
20.	-1,222,252	259,691	117,432	122,225	12,634	1,727,634	48.63	53.37	17.1
21.	-1,344,477	265,325	117,612	134,447	13,266	1,875,127	44.33	55.67	16.4
34.	-4641489,500	304,	111	464148	25,015	5,642,097	0.45	99.55	9.7
35.	-5105637	525,319	0	510563	14,756	6,156,275	0.	104.61	9.3

The table shows that the same forces which at first made the rise of capitalism possible at a certain phase of accumulation lead to over-accumulation and its consequences. The constant capital that in the first year (first table) was 50% of the years production, demands in the 35th year (second table) 82.9%. The revenue (R) that until the 20th year only increased relative to the total mass of surplus value as shown by (R%) from then on decreases absolutely. In the 35th year it disappears completely. It is only after the 20th year that the fall in the rate of profit is first felt as an absolute fall in that part of the mass of profit which the capitalist class had at its disposal for its own private consumption. Until the 20th year, accumulation was a paying proposition as measured by the returns. From the 21st year, these returns dwindle down to a vanishing point. Besides that, from the assumption made that the additional variable capital increases yearly 5%, AV has a deficit. Instead of the needed 26,265 in the 35th year, only 14,756 is available, leaving a deficit of 11,509. This deficit would represent the industrial reserve army as the inevitable outcome of the capitalist process of accumulation. The capital accumulated in the 35th year can't function completely. Because 11,509 workers cannot be employed, the whole additional constant capital (AV: 510,563) cannot be reinvested. On the basis of our assumption, a population of 551,548 in the 36th year would require a constant capital of 5,616,200; consequently by a population of 540,075 only 5,499,015 constant capital could be invested. There is a capital surplus of 117,185 that cannot be used. Insufficient capital "utilization" has led to over-accumulation. We have a surplus of capital unable to expand and an unusable surplus population. (The empirical researches, e.g. by W.C.Mitchel in the U.S.A. has shown that in time of economic expansion profit is uninterruptedly increasing, while a crisis is preceded by a decrease of profits.) Thus, increasing "utilization" of capital is the chief cause of capital accumulation, and the lack of a sufficient "utilization" of capital the cause of crisis.

The theoretical formulation of the theory of over-accumulation as here presented was first undertaken by Henryk Grossmann who considers his work as only a reconstruction of Marx's theory of accumulation which is the theory of crisis and collapse. According to Grossmann, if accumulation is to take place, the organic composition of capital must increase and then a relatively ever greater part of the surplus value must be taken for the purpose of the additional constant capital (AC). As long as the absolute mass of the total social capital of a low organic composition is small, the surplus value is relatively large, and leads to a rapid increase in accumulation. For example: by a compositio of 200 C + 100 V + 100 S (surplus value), the constant capital can (assuming the total surplus value to be used for the accumulation) be increased by 50% of its original size. At a higher stage of capital accumulation, with a considerably higher organic composition, e.g. 14,900 C + 100 V + 150 S the increased mass of surplus value is only sufficient, when used as additional capital (AC) for an increase of 1%.

By continued accumulation on the basis of an ever higher organic composition, a point must be reached when all accumulation ceases. Not every fragment of capital can be used for expansion of production. A definite minimum proportion is needed which grows continuously with the progressive accumulation of capital. Therefore, since in the development of capital accumulation, a not only absolutely but also

relatively greater part of the mass of surplus value must be used for the purpose of accumulation. At a high stage of accumulation, where the total social capital is of huge size, the part of surplus value demanded for additional constant capital (AC) must become so great that it finally absorbs all of the surplus value. A point must come when the parts of surplus value to be used for additional workers and for capitalist consumption (AV and R) must decrease absolutely. This would be the turning point at which the previously latent tendency to collapse begins to be active. It is now evident that conditions necessary for the progress of accumulation no longer can be met, that the mass of surplus value though grown absolutely is insufficient to take care of its three functions. If the additional constant capital (AC) is taken from the surplus value in necessary quantity, then the revenue at disposal is insufficient to take care of the consumption of workers and employers at the prevailing scale. A sharpened struggle betweem the working class and employers over the division of the revenue thus becomes inevitable. If, on the other hand, the capitalists by pressure from the workers are forced to maintain the wage scale and the part earmarked for accumulation (AC) thus decreases, the tempo of accumulation slows down, and the productive apparatus cannot be renewed and expanded to keep pace with technical progress. All further accumulation must, under such conditions, increase the difficulties, since for a given population the mass of surplus value can only be raised by a trifling amount. Surplus value flowing from the previously invested capital must therefore lie fallow, and there arises a surplus of idle capital vainly looking for possibilities of investment.

Thus accumulation is a process that inevitably leads to overproduction of capital, to ever increasing enemployment, to a surplus of CAPITAL UNABLE TO FUNCTION PROFITABLY, and an unuseable surplus population. And this is the final great contradiction of capitalist production that causes it to go to pieces. "The fact that the means of production and the productivity of labor increases more rapidly than the productive population, expresses itself, therefore, capitalistically in the inverse form that the laboring population always increase more rapidly than the conditions under which capital can employ this increase for its own self-expansion".

On the basis of this analysis of accumulation, the question no longer is whether the capitalist system will collapse, but rather why it has not already collapsed. We have hitherto followed the process of accumulation in a fictitious capitalism. Reality is different. The law of capitalist collapse as demonstrated by us functioned in a "pure" capitalism, - a capitalism that actually does not exist. In order to best illustrate the law of capitalist accumulation and consequences flowing therefrom, we have had to disregard the secondary features and tendencies that are characteristic of the real capitalism. For the purpose of our investigation up to now, they were quite irrelevant since they only obscure the inner law of the process of capitalist accumulation. Outside of the already mentioned simplifications, we dealt only with the process of production, disregarding modifications of accumulation by the process of circulation. Only the dynamics of society as a whole interested us, so that we did not consider the individual spheres of production, and disregarded competition and its modifying effect on the tempo of accumulation. In our analysis of accumulation there was no foreign trade which from the point of view of capitalist production is of great importance.

We disregarded the middle class groups, and spoke only of capital and labor. There was in our analysis no credit problem. We disregarded it as well as other important items that more or less modify the absolute law of accumulation. In short, our analysis of accumulation is based on a non-existent capitalism. All that we set out to do was to demonstrate that by following the process of accumulation in such a "pure" capitalist system, the result would with mathematical certainty be the collapse of the system.

Since, in reality, there is no such "pure" capitalist system, it follows that the tendency to collapse does not operate in the above described "pure" form. Instead, the "pure" tendency of capitalist accumulation is slowed down in its dizzy pace by counteracting tendencies which also arise out of the capitalist development. The tendency towards collapse which is expressed through crises is nevertheless slowed down and temporarily halted by these very crises though they be the embryonic form of the final collapse; but the counter tendencies are essentially of a temporary character. They can postpone the collapse of the system. <u>If the crisis is only an embryonic collapse, the final collapse of the capitalist system is nothing else but a crisis fully developed and unhindered by any counter tendencies.</u>

If the causes of crisis are over-accumulation which makes the "utilization" of capital impossible, then new means must be established to assure again the necessary capital "utilization" in order to end the crisis. According to Marx, a crisis is only a process of healing, a violent return to further profitable expansion; from the point of view of the capitalists, a "cleaning out". But after the "cleaning" with its series of capitalistic bankruptcies, and the starvation of the workers, the process of accumulation is continued and after awhile the "utilization" of capital again becomes insufficient. The self-expansion stops as the accumulated capital again becomes too large on its new basis. The new crisis sets in. In this manner, the tendency towards collapse is broken up into a series of apparently independent cycles.

III

How Crisis Are Overcome.

The changing periods in the economic cycle may be longer or shorter, but their periodicity is a fact. It is furthermore a fact that the boom periods are always growing shorter, while the duration and intensity of the periods of crisis is increasing. This reveals the fact that the tendencies which serve to delay the collapse of capitalism, while being an integral part of capital accumulation, are nevertheless greatly weakened with every passing cycle; and the overcoming of crises becomes an ever greater difficulty. The United States has passed through a series of industrial crises followed and preceded by boom periods. The crisis of 1837 was preceded by a feverish activity of construction. A nationwide network of roads were built, canals were constructed and steamship traffic developed. Gigantic amounts of capital were imported, and a general optimistic anticipation of profits developed speculation. By the first sign of insufficient profit-production, "business" flowed into speculation that then took the most bandit-like forms. A crisis shortly followed. To bourgeois economists, the crisis appeared to be caused by the "impossibility of paying interest on borrowed capital, as the rate of

profit that could be yielded was too small." The panic of 1857 was preceded by a period of intoxication due to the discovery of California gold, and the large railroad constructions aiding industrial development in general. Again prosperity was transformed into intensified speculation which is always the case when profits become small. The crisis was again explained by the problems of "interest". According to bourgeois conceptions, the railroads were constructed too "quickly", industry developed too "hastily", and it became impossible to pay interest on the money invested in industry. Capital had grown faster than the possibility of "utilizing" this growth. This was followed by the crisis of 1873, 1893, 1907, 1921, - to name only the most important.

In whatever manner these crisis were explained, each individual explanation suggested that profits were insufficient, that further expansion of industry was unprofitable and for that reason could not take place, so that each explanation, unconsciously it is true, gives over-accumulation as the cause of crises. But no one spoke about this as the inevitable outcome of the capitalist process of accumulation; this fact was always disguised as "overproduction of commodities","a too heavy burden of debts and inability to pay interest" The fall of prices, therefore, was accepted as the cause of crisis.

According to Marx, in times of crisis, the rate of profit and with it the demand for industrial capital almost disappears. <u>There is no lack of purchasing power with which to expand production, but no use is made of this purchasing power because it does not pay to expand production since expanded production does not bring in more but less surplus value than on the previous scale.</u> Though expansion of production has become unprofitable, production at first continues at its previous volume. By this continuation of production at its previous rate, each year, there is produced surplus value part of which is intended for accumulation, but without any chance for such application. Thereby the stock of unsold means of production, of unsold goods in general grows; cost of storing increases, plant equipment is unnecessarily tied up since there is no reflux through sales of commodities produced. The capitalist must at any cost sell, to obtain the means of continuing production at its previous scale. This leads to price cutting and limited operations of factories. Enterprises go bankrupt; unemployment grows.

The capitalist solution to this problem lies in the reestablishment of the "utilization" of capital. To do this, either the value of the constant capital must be decreased, or the surplus value increased. Both possibilities are found in the sphere of production as well as in the sphere of circulation. We shall deal here only with a few of the tendencies that overcome crises and delay the collapse of the system.

We said the capitalist always sees the fall of prices as the cause of crisis. A rise in prices, consequently means to him the beginning of recovery. Bourgeois economists claim that as prices fall, bankruptcies increase proportionally, and they offer statistical demonstrations of this fact. According to them, price stability is a guarantee of social stability. But what they really show is only the increased productivity of labor expressed in prices. The bemoaning of bankruptcies only illustrates the process of capital concentration. In spite of this, bourgeois economists have always, in their super-

ficial manner pointed to the fall of prices as the cause of crises, and they still hold to this stupid explanation in face of the fact that in the U.S. since 1925 a boom period took place with falling prices. It is also a fact that the expansion of the productive apparatus takes place in times of depression when prices are low. Only when the demand created by that expansion exceeds supply will prices increase. Therefore, the rise in prices, if it takes place, which is not absolutely necessary, is the effect and not the cause of recovery. Nay, profitable operation must be made possible at the low price level before recovery can begin. This demands increased productivity of labor which again means higher organic composition of capital, or the reproduction of the crisis on a higher plane.

Increased productivity is, besides other things, a process of concentration and centralization accompanied by amalgamation of industrial units and general rationalization. So that the crises, even though they are accompanied by "overproduction" are always overcome, in spite of that, by a further expansion of production. That this leads to increased laying off of workers first relative to capital employed, later also absolutely does not alter its necessity. Statistics show that in periods of upswing in the United States those bankruptcies which occurred involved small enterprises, and that while these bankruptcies increased, trusts made superprofits in spite of falling prices. Trustification made larger profits at lower prices possible, while the small enterprises outside this movement of "rationalization" succumbed. Prof. Eitemann writes:

> "The low prices which had prevailed during the depression of 1873, encouraged the introduction of labor-saving devices by industry in order to cut cost of manufacture. This search for cheaper methods of production continued even after the return of prosperity, and resulted in a steady downward trend of prices".

The increased productivity of labor, and the thereby relatively diminished cost of constant capital makes the "utilization" of capital again possible. This tendency is apparent during the present crisis. Reports like the following are not infrequent:

> "General Electric's new power plant of $4,000,000 will be ready for operation next spring. According to the estimates of the engineers, the plant will produce steam and kilowatt hours of energy at a lower cost than has ever before attained".

At the same time that the "Merchant Fleet Corporation" allowed 124 ships of approximately one million tons to be destroyed, the construction of 20 million tons of new ships are planned even though "overproduction" leaves a great number of these ships idle in port. In the crisis, in spite of "overproduction", the apparatus of production instead of becoming restricted has been enlarged. Nevertheless, previous crises have passed. The crisis, then, is not a restriction of the real apparatus of production, but a breakdown of an accepted system of prices and values, and its reorganization on a new level.

According to Marx, the tendency in the fall of the rate of profit is accompanied by an increase in the rate of surplus value, or in the rate of exploitation of labor. By the development of the productive

forces, commodities are made cheaper. Insofar as this happens to commodities consumed by the workers, the elements of variable capital are made cheaper. The value of labor power sinks and rate of exploitation increases. The same effect is gained by intensifying labor by technical rationalization and by more pitiless modes of speed-up, or by lengthening the working day. One of the most important means is by the forcing of wages below the value of labor power by taking advantage of the growing army of unemployed during a crisis. (The lowering of wages below value has already become a "basis" of existence for the whole system.) The ridiculous conception that by increasing the purchasing power of labor the crisis can be overcome has always and still is answered by capitalism reducing that purchasing power still further. It is exactly in this manner, by wage cutting, that capitalism tries to overcome the crisis. Thus, the "Commercial and Financial Chronicle" writes:

> "The manufacturer is no longer able to produce goods at a profit, and accordingly he stops producing at all and as a consequence, hosts of wage earners find themselves idle and out of employment. If the President could be induced to prevail upon the wage earners to adjust wages to a lower basis, one more nearly in accord with the times, trade depression would soon become a thing of the past."

Statistics, for example those of the U.S.Steel Corporation, show that crisis and increasing exploitation run parallel.

Aug. 1,1918 - - - 10% increase in wages
Oct. 1,1918 - - - 8 hour basis day adopted
Feb. 1,1920 - - - 10% increase in wages
May 16,1921 - - - 20% decrease
June 6,1921 - - - basic 8 hour day abolished
Aug.29,1921 - - - decrease to 30 cent hourly
Sept.1,1922 - - - 20% increase
April 16,1923 - - 11% "
Oct. 1,1931 - - - 10% decrease

The crisis of 1921 destroyed the previously adopted 8 hour day and led to sharp wage cutting. In 1931 this was repeated. The intensification of exploitation is one of the strongest tendencies working against capitalist collapse.

The shortening of the time of capital turn-over is also a force acting against collapse. The main means for accomplishing this, outside of increased productivity, are better and more direct means of communications, especially transport, and diminuation of stock in storage, etc. Furthermore, an increase in use-values at the same exchange value, and the founding of new spheres of production with lower organic composition weakens the tendency towards the collapse since these branches of production yield exceptionally high profits. As the capitalist class cannot dispose of the appropriated surplus value alone, but must divide it with the middle class groups, the crisis is always the beginning of an intensified fight between these groups in the form of a fight of "actual" producers against ground rent, commercial profits, and all other "parasitical" elements. In short, a fight of industrial capitalists against all other capital-

ists and the middle-class groups who exploit labor indirectly thru the industrialists.

An important element in re-establishing profitable operations is the devaluation of capital. This devaluation is expressed by the same amount of means of production being represented at a smaller value. The technical composition (M.P.:L) remains; the organic composition (C.V.) sinks. The mass of surplus value remains the same, but as it is now calculated on a smaller capital basis, the rate of profit has risen. In practice, devaluation takes the place of sale at ruinous prices. Crisis and capitalist wars are gigantic devaluations of constant capital by violent destruction of value as well of use value forming its material basis.

By ever drawing in new foreign use-values, capitalist production is expanded and the tendency towards collapse weakened. The importing of cheap foodstuffs lowers the value of labor power and increases the rate of surplus value proportionally. By the furnishing of cheap raw materials, the elements of constant capital are made cheaper and the rate of profit increased. This is why the struggle for sources of raw materials comtributes one of the main objectives of international capitalist politics. Through the tendency of the equalization of profits, the more highly developed countries can appropriate part of the surplus value created in the less developed countries. This extra profit counteracts the sinking of the rate of profit. By foreign trade, the movement towards collapse is slowed down, and as this, with the development of accumulation, becomes a matter of life and death to the capitalist system, it leads imperialist expansion to become more and more violemt.

The international character of crisis develops with foreign trade. The same factor also leads to the development of world monopolies, yet even though so much capital has been accumulated that further accumulation, though necessary, is unprofitable, a collapse of the system need not follow as long as sufficient capital in form of foreign loans and investments can find a new and satisfactory basis for "utilization". This makes the export of capital characteristic of imperialism. All these elements, concentrated in imperialism, are remedies against the insufficiency of profits. The final consequence of imperialism is the political annexation of foreign territories, so that the securing of an additional stream of surplus value helps to postpone capitalist collapse. As the progress of accumulation makes the threat of collapse more imminent, the imperialist tendencies are proportionally strengthened.

IV
Permanent Crisis.

We have previously shown that the Marxist theory of accumulation is the law of the collapse of the capitalist system. We have further demonstrated that this law is overcome by counter-tendencies for certain periods. But these counter-tendencies are themselves overcome in the course of development or lose their effect through overaccumulation. Rationalization becomes failing rationalization. Amalgamation, or merging of industrial units, is made unfavorable by the dead weight of closed down units. Wage cutting and intensified exploitation also have their limits. The workers cannot permanently be paid below their cost of reproduction. Dead and starving workers

produces no surplus value. The shortening of the time of capital turn-over has its limit beyond which it breaks the continuity of production and circulation. Even if commercial profits were eliminated altogether, the sinking of the rate of profit would still continue. Foreign trade as a counter-tendency eliminates itself by turning capital-importing countries into capital-exporting countries by forcing their industrial development through a hot house growth. As the force of the counter-tendencies is stopped, the tendency of capitalist collapse is left in control. Then we have the permanent crisis, or the death crisis of capitalism. The only means left for the continued existence of capitalism is then the <u>permanent, absolute and general pauperization of the proletariat.</u>

In previous crises it has been possible to regain sufficient capital "utilization" without permanent cutting of real wages. Marx said: "in the measure as capital accumulates, the situation of the workers, whatever its pay, high or low, must become worse". All statistics available show that accumulation and pauperization of the workers are two sides of the same process. But in the period of the rise of capitalism only a relative, but not necessarily absolute, pauperization of the workers took place. This fact formed the basis for reformism. Only when the proletariat must <u>necessarily be absolutely pauperized are objective conditions ripe for a real revolutionary movement.</u>

If, instead of misleading ourselves by the actual increase of nominal wages in the United States during the last three decades, we examine the trend of wages in relation to production, we shall have a true picture of the relative pauperization of the American proletariat. If we divide the index of real wages by the index of production, we have the index of the purchasing power of the workers.

Year	Index of purchasing power	Year	Index of purchasing power
1899	100	1922	73
1904	91	1923	68
1909	70	1924	76
1914	70	1925	68
1919	65	1926	68
1920	67	1927	71
1921	91	1928	70

The purchasing power of factory workers in the United States has not increased in proportion to the total product of the factories; it has lagged. The workers position is relatively worse. This is true in spite of real wages having increased from 100 in 1900 to 123.6 in 1928. But in the same period the volume of production increased from 100 in 1899 to 283.8 in 1928. The workers lived better, but were more exploited in 1928 than in 1900. To Marx this relative pauperization <u>was only a phase of absolute pauperization</u>. If wages at first only decline relatively to general wealth, they later decline absolutely as the quantity of commodities falling to the worker's share becomes absolutely smaller. This relative worsening of the workers position in the face of absolute improvement, only continues as long as conditions permit sufficient increase in the mass of surplus value to allow sufficient "utilization" of capital. In the final phase of capitalism, the surplus value is insufficient for the maintainence of both previous wage levels and satisfactory "utilization". Therefore, the crisis can now only be overcome by a satisfactory rate of

accumulation and the reestablishment of profits at the cost of the workers. What differentiates the final from all previous crises is that with renewed profitable operation the wage level cannot be re-established, - that the latter will sink permanently im times of "prosperity" as during the crisis. While capital "overcomes" the crisis, the workers remain under its sway, and if they refuse to let themselves be destroyed, they have no other recouse but the abolition of the capitalist system.

The level of world industrial production is today below the scale of 1914. The depression is world-wide. Relative to the high stage of accumulation, the crisis may vary from country to country, but the international character of the crisis is everywhere perceptible. The shrinking of the domestic market sharpens competition in the world market which likewise shrinks due to protective tariffs. The shrinking of world trade intensifies the crisis by making their economic and financial status more precarious. These events are paralleled by a heavy loss in profits. The condition of bank capital is catastrophical. The number of unemployed in the United States alone in 1933 was about 16 millions. All this indicates that the present crisis in the United States as everywhere differs from all previous crises by its extent and intensity. It is the greatest crisis in capitalist history; whether it will be the last for capitalism, as well as for the workers, depends on the action of the latter. The "Roosevelt prosperity" in the United States to which the bourgeois press referred as the "end" of the depression was of a very temporary character and did not effect the world crisis at all. Anything the U.S. did gain for a short while was a loss for some other country. The inflationary policy allowed the United States to compete better on the world market, but only as long as the other countries were not ready to hit back, by inflating their own money or find other means of fighting the American competition. Inflation as the means of general wage cutting and the elimination of the middle class, as well as the elimination of profit-eating bank capitalists, to a certain extent may spur production because this again becomes profitable for a short while. <u>But this profit is only gained by a pauperization process, not only of relative but of absolute character. It is a "boom" in the death-crisis, a gain that does not indicate development but decay. It shows that we are not at the "end", but only at the beginning of the crisis.</u>

The actual beginning of the present depression in the United States is always connected with the stock market crash, though the latter was the effect rather than the cause of the crisis which had already begun. As far back as 1927 the "utilization" of capital in the U.S. had become more and more difficult. The falling rate of profit indicated the over-accumulation. But in spite of that, expansion of industry took place until 1929, but not to such an extent as would have been necessary according to the rate of accumulation in previous years, and on the basis of accumulated capital already existing. Industrial profits, which could not more fully be reinvested in industry, flowed to the banks. The surplus lay fallow in the banks; deposits in member banks of the Federal Reserve System was, by the end of 1927, 1.7 billions of dollars more than in 1926. While an increase of 5% was considered normal, this amounted to 8%. Simultaneously, available credit grew. Speculative loans for the stock market and speculatively inflated stock quotations were the result, bringing on the Wall Stree fever of speculation ending in the stock

market crash. But the speculative fever was only the index of the lack of possibilities for sufficient productive investments. Asthe surplus of capital lowered the rate of interest to 1 percent, the industrial crisis was followed by a bank crisis.; and in spite of the low rate of interest, from which the bourgeoise economists expected the turn towards prosperity, no credit was demanded by industry.The "Chicago Daily Tribune" writes: "What idle money has piled up in banks had difficulty in finding safe outlets, interest rates dropped but loans and investments did not increase". This situation is not peculiar for the United States, but general throughout the whole world. J.P.Morgan testiffed at a Senate inquiry: "The depression,for the first time as far as I know in the history of the world, is so widespread no country can lend money in any other. At the present time there is no demand for capital for industry."

This situation can, nevertheless, only be overcome by further accumulation; i.e.-expansion of the productive apparatus or renewal of the fixed capital on a larger scale. The mass necessary for accumulation is dependent on the previous volume of fixed capital regardless of whether this has only been utilized at half of its capacity, because accumulation is determined by the rate of speed it has previously gained; and this accumulation must take place on a lower price level as expansion of production is coupled with a fall in prices. Therefore, if accumulation is to continue, then the expansion of production must lower the cost of production so that the expected mass of profit will compensate for the fall in the rate of profit. For this reason, "Barrons Weekly" says in its yearly survey: "the extent to which the pressure of accumulating capital may be effective in promoting economic recovery depends on whether the necessary adjustments have been made in other parts of the mechanism - in cost of production and prices, in supply and demand relationship for individual commodities, and in the governmental services, in their cost to the tax payer and their real value to the country; in short, on whether capital can earn a profit and keep it".

A static system of capitalism is an impossibility; capital must either go forward, i.e.-accumulate, or collapse. Accumulation presupposes reestablishment of profitable operation; hence we see violent efforts on an international scale to achieve this end. But all previous measures taken to overcome the depth of the present crisis have failed miserably.

As we have said before, the resumption of profitable operation depends on the lowering of the organic composition of capital, or the increase, by other means, of the surplus value. The devaluation of capital lowers the organic composition. In practice, this means the ruin of many individual capitalists; from the point of view of total capital, from the point of view of the system, it means rejuvenation. The devaluation of capital is a continuous process, an expression of increased productivity of labor, but in the crisis it progresses violently. The increased rate of bankruptcies shows that the devaluation of capital is also taking place today. But bankruptcies, while expressing the speedy and violent devaluation taking place, are not symptoms of an intensification of the crisis; up till now they have been aids in overcoming it. In all previous crises, the number and the speedy growth in the number of bankruptcies were connected with a speedier overcoming of the crisis. That today this effect is gone merely proves that accumulation has reached a point where devaluation ceases to be an effective element in overcoming the crisis.

There are not enough bankruptcies, or the devaluation accomplished i insufficient to lower the organic composition of capital enough, to make continued profitable accumulation again possible. This fact is closely connected with the structural change in capitalism from competition to monopoly capital.

"Classical" capitalism answered a crisis with a general fall in prices that lead to widespread bankruptcies and forced the survivors to adapt themselves to the new price level by installing of new machinery . The demand of fixed capital felt in some industries caused other industries to be drawn into the boom. But in monopoly, or as Lenin called it, "stagnant" capitalism, the crisis does not have the same results. Here we have prolonged condition of huge masses of productive machinery lying idle without being destroyed as the characteristic feature of crisis under monopoly capitalism. The reserve funds of fixed capital created by monopoly capitalism are, in boom periods, put at the service of production and make the construction of additional enterprises unnecessary, and thereby increase the difficulties of a transition to expanding production. When the crisis comes, production is restricted, and when later the demand increases it is supplied by opening the closed enterprises. In this manner technical progress is hindered by monopoly capitalism, and the market for means of production narrowed. How small the importance of violen. devaluation of capital is can be seen when one compares the monopolies with the total of socially productive forces. (We have in the United States 37 tire producers; five of them account for 70% of the total production, the other 32 divide the remaining 30% among themselves. In the automobile industry, 75% of the total production is accounted for by two enterprises: General Motors and Ford. Two steel trusts (U.S.Steel and Bethlehem) control 52% of the total steel production. In the meat packing industry 70% of the total production is controlled by four firms: Swift, Armour, Wilson and Cudahy.) In other industries similar situations are found. What effect can the collapse of small enterprises have here? The fusion of capital and the resultant strengthening of monopolies strengthens this tendency towards stagnation and decay, which really means that permanent depression is a characteristic of monopoly capitalism. Even the huge writing down of capital values is only a raid on the small share holders, but not a move towards recovery. It is also clear that a technical revolution scrapping huge masses of capital by antiquating them, cannot be expected today since the restriction of productive forces has become a "necessity" of capitalism. To expect an end of depression through devaluation is to pin hope on a still higher form of capitalism than monopoly-capitalism, and that is impossible within the framework of private property in the means of production. (State capitalism is not a higher economic form of monopoly capitalism, but only a different political mask trying to straighten out the maladjustments of class forces, which due to the narrowing down of the ruling class and its retainers under monopoly capitalism needs more direct state interference to maintain class rule.)

To increase the mass of surplus value, the cost of production must be lowered. This is attempted through the process of general rationalization ; but increased rationalization leads to irrationalization. For a time the profits of individual enterprises are increased by its application, but the net income from the total social labor is diminished. Individuals become richer, society poorer. How far this sort of rationalization has gone can be seen by the researches of the

technocrats. Rationalization is only effective when the saving in wages made possible is greater than the increased cost of fixed capital made necessary. Rationalization causes the shut-down of many enterprises, and therefore the saving in wages must exceed, not only the increased cost of fixed capital in the rationalized enterprises, but in addition , balance the loss caused by depreciation of fixed capital in idle enterprises. If the costs of fixed capital are increased, all enterprises become more sensitive to downward fluctuation of economic activity. Rationalization, therefore, leads to an increase instead of a decrease in cost of production, and thus increases the difficulties of overcoming the crisis. By overdeveloping the productive apparatus, rationalization at a high stage of accumulation hastens the collapse of capitalism instead of delaying it. The American productive apparatus was rationalized in the years of prosperity following 1921, and this was one of the causes of the length of that phase. In spite of continued rationalization, the crisis arrived and created a situation which hardly allowed the utilization of 50% of the rationalized enterprises, and thereby annulled the increase in surplus value gained by rationalization. This case of "irrationalization" shows definitely the impossibility of recovery through further rationalization.

Increase in surplus value through shortening the time of capital turnover, likewise finds its objective limits in the development of accumulation. The period of turnover of total capital has been prolonged by the decreased utilization of fixed capital. The same rate of profit for one period of turnover becomes thus a much smaller yearly rate of profit. The fall of prices, though limited by monopoly capitalism, today outweighs the still remaining possibilities of reducing the period of turnover. Decreasing the stock to raise the rate of profit is limited by the demand for continuity in production and circulation. Outside of this, the action of the crisis causes an increase in the stock of unsold commodities that further decrease the rate of profit both by the cost of storing and by the further causing a fall in prices through forced sales. The net effect is that stock on hand increases, the period of turnover is prolonged, and the rate of profit falls. The increased stock is especially evident in raw materials. The world's supply of raw materials were at the end of 1929 - 192, and 1933 - 265. To reduce them to normal would mean the cessation of world production for months.

The cost of circulation increases due to sharpened competition during the crisis. While the number of workers engaged in production permanently decreases, the number of those in distribution increases. (Advertising expenses alone have lately been over a billion dollars a year in the United States.) This naturally further decreases profits.

In the crisis of 1920 and 1921, 30% of all enterprises in the United States were idle representing approximately a 30 billion dollar investment. If depreciation and maintainance is estimated at 10%, this means a clear loss of three billion dollars or the value of the labor of one and a half million workers. This takes place today on an even larger scale causing a further fall in the rate of profit. As 16 million workers are unemployed in the United States, it becomes necessary for those employed besides compensating for the causes already mentioned, also to produce as much additional surplus value as these workers would have produced if employed, or the mass of profit

will decrease and sufficient accumulation become still more difficult. The decrease in the mass of profit sharpens the struggle for its division. The banks have advanced capital to industrial enterprises during the period of prosperity; credit that was based on prices as they then were. Falling prices "freeze" these credits and cause, first, industrial bankruptcies, and second, bank failures, hastening the process of concentration of capital generally. At the same time, there has been an enormous change in the division of profits between industrial and money capital in favor of the latter. The acuteness of the crisis and the price fall makes the load of debts unbearable for industrial capital. Only a general reduction of debts makes general bankruptcies unnecessary. This is done through inflation which unloads the liquidation of these debts on the workers, the professional middle class, and money capital.

The depth of the crisis is also shown in the vicious attacks of capital on the standard of living of the middle class groups. In spite of increasing expropriation of the middle classes, reducing those catering directly to capitalist consumption, the crisis continues to deepen, nullifying those methods of retaining a greater part of surplus value in the hands of the capitalist class. But after all, these groups could only be eliminated once, and even before this was done, another barrier would have been set up against further expropriation of them by the fact that the continued rule of the capitalist class depends on their existence. And in contradiction to these strenuous efforts to eliminate expenditures for unproductive activity, these expenditures are increasing. The growth in taxation was more rapid than the growth of the national income in the United States. Increasing pauperization causes increasing relief expenditures, and increasing expenditures for the purpose of violent repressions of revolt, and for imperialist designs.

In the present crisis, a fall in the ground rant "has to some extent softened the fall in the rate of profit" but at the cost of raising the threat of agrarian revolt. As a matter of self preservation, it has been necessary for the capitalist class to counteract these tendencies favorably to themselves by allotment plans, agrarian protective tariffs, price subsidies, etc. A sufficient increase of profit by a decrease in ground rent cannot longer be expected.

In this crisis, all forces working towards overcoming it have thus either neutralized each other, or have been insufficient! This even applies to the strongest imperialistic means of recovery:-capital export. During the last years there has practically been no capital exported from the United States. In other imperialist countries, the situation is similar. This has sharpened the competitive struggle for the world market tremendously between all industrial nations. The profit flowing back to the United States from previous capital export in form of interest on foreign investments can neither be invested here or abroad. Simultaneously, the United States makes it impossible for the debtor nations to pay interest by forcing them out of their markets for means of production. This also makes it impossible for them to buy raw materials and food stuffs, as they are unable to sell means of production to pay for them. The end of this development must be either an insoluble, irrational crisis, or a new world scale butchery.

The law of accumulation is the law of collapse of capitalism. A collapse delayed by counteracting tendencies until these tendencies hav..

spent themselves or become inadequate in face of the growth of capital accumulation. But capitalism does not collapse automatically; the factor of human action, though conditioned, is powerful. The death crisis of capitalism does not mean thatthe system commits suicide, but that the class struggle assumes forms that must lead to the overthrow of the system. There is, as Lenin said, so absolutely hopeless situation for capitalism; it depends on the workers as to how long capitalism will be able to vegetate. The "Communist Manifesto" sounds the alternative: Communism or Barbarism! A static capitalism is impossible; if the accumulation cannot continue, the crisis becomes permanent and the condition of the workers will continually worsen. Such a crisis is barbarism!

Today, half the workers in the great industrial countries are unemployed and the enormous increase of exploitation does not compensate for the smaller number of workers employed; and still there is no other way for capitalism but continuous attacks on the workers. The general, absolute and permanent pauperization of the workers has become an absolute necessity to the existence of capitalist society. Thus, according to Marx, the final and most important consequence of capitalist accumulation and the final reason for every real crisis is the poverty and the misery of the broad masses, in contradiction to the essential driving force of capitalism to develop the productive forces to such an extent that only the absolute consumption possibilities of society be its barrier. Under such conditions, the bourgeoisie can rule no longer , since, as the "Communist Manifesto" pointed out, "it is unfit to rule because it is incompetent to assure an existence to its slaves within his slavery, because it cannot help letting him sink into such a state that it has to feed him, instead of being fed by him".

The analysis of capitalist accumulation ends, as Marx said in a letter to Engels: "In the class struggle as a finale in which is found the solution of the whole smear! " In the phase of accumulation where the further existence of the system is only based on the absolute pauperization of the workers, the class struggle is transformed. From a struggle over wages, hours and working conditions or relief, it becomes, even as it fights for those things, a struggle for the overthrow of the capitalist system of production, - a struggle for proletarian revolution.

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THE STRUGGLE AGAINST THE REDUCTION OF UNEMPLOYED RELIEF IN AMSTERDAM.

(From "Raetekorrespondenz" #4 of the Group of International Communists of Holland.)

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In the first days of July, the Dutch Government cut the unemployed (cash) relief to an extent which aroused the unemployed to spontaneous demonstrations at the relief stations and on the streets. These demonstrations were at once combatted by the police and the guardsmen in the most brutal manner. In the "Indian District" and the "Jordaan Workers District" of Amsterdam the unemployed did not allow the police to break their demonstrations up without a fight. They answered the bullets and sabers of the police with the stones they got from the pavement. The struggle lasted many hours. In the evening

after the workers left for group meetings which had been hastily arranged, these groups in passing through the streets grew in a very short time to powerful and large demonstrations which the police again tried to break up. The workers erected barricades to keep the police out of the streets, as it is impossible to defeat bullets wit stones. The street lights were destroyed in order to make it difficult for the police to advance. This, which was done in a few street became the situation in the whole "Jordaan District" the next day.At all corners hastily but well erected barricades were seen; the streets were torn up to exclude all fast transportation. On this day the workers succeeded in driving every policeman out of the district which by evening was entirely in the hands of the workers. The unemployed were victorious for this day; but, by twelve o'clock at night they all returned to their homes and the police moved in again without a fight.

On the following day the guardsmen took possession of the district. They came with tanks, armored automobiles and machine guns. They arrived in such a strength that the unemployed alone could never be able to fight them successfully. They were not cowardly in not opposing the guardsmen because the events of the day before had brought proof that they were good fighters. However, in the face of this strong enemy, a fight would have been suicide.

The struggle had grown out of a relief question. The immediate goal of the fighters was to force the government to recall the relief cut. Workers who want to fight the government at least need the support of very broad layers of the working class. This support was not forthcoming. The majority of the workers will only participate in a movement which embraces their immediate interests. But the fight was merely a fight for unemployed relief; it did not involve the employed workers. Without their support, there was no sense to go farther in the struggle, and it ended in a defeat.

The relief cut was an absolute necessity for the Dutch bourgeoisie. The wages of the employed workers had become so low by a series of wage cuts that there was almost no difference any more between the relief and the wages; but before further wage cuts could be made, the relief had now to be cut first. The continuation of the profitableness of the capitalistic system made this absolutely necessary. This is why the government answered a simple demonstration of the unemployed in a way in which formerly only revolutionary uprisings would have been answered. It was martial law. This offensive against the unemployed was a challenge against the whole working class. There could only be one answer after the brutal attack of the police and the guardsmen: "The General Strike"; but the trade-unionist traditions made it hardly possible. It is important to note that in factories not controlled by the trade union, the workers walked out in sympathy with the unemployed.

As bitter as the battle was, which the unemployed put up and which spread as a guerilla warfare all over the city, in a few days the whole thing was crushed. After the defeat of the uprising, the attack against the existing labor organization set in. In all labor organizations, such as press bureaus, offices, etc., the police searched for documents, stole the important parts of the printing presses, put many workers in jail, forbade every kind of workers' activity. Although this may hurt the labor organization very much,

it is not bad at all from the viewpoint of the actual class struggle of the working class. The fighting strength of the workers actually increases through such measures of the ruling class. To forbid the class struggle itself is impossible, but if the bourgeoisie makes the existence of the pseudo-revolutionary organizations impossible, it also removes at the same time an obstacle against the real revolutionizing of the workers. The workers cannot merely be neutralized by the labor fakers; they have to find their own way. Their labor becomes more difficult to be sure, but also more effective. What they now do is to actually fight and not engage in some opportunistic sidetracking of the real issue in the fields of parliamentary fake-success, etc.

The greatest value for the revolutionary movement is the fact that actions of this kind, and the actions of the ruling class which followed them, showed the weaknesses of the present day labor movement in all its ugliness. One stroke of the ruling class sufficed to do away with the Communist Party and all its affiliated organizations. The leadership of the C.P. had not anticipated this, and actually, the bourgeoisie had really no reason to be so hard on this organization which, in spite of all their self-assurance, is only trying to live and prosper inside of the capitalistic system. Even the last number of the Communist Party of Holland's paper, the "Tribune", before it was suppressed, tried to support the system of private property. We read therein regarding the action of the unemployed ("Tribune" - July 6), "Fight Against Looting and Provocations"

> "When the workers in the Jordaan District were fighting a mass battle, some criminal elements were trying to loot the stores. The workers have nothing in common with these elements. They have to fight them. The workers want the sympathy and the support of many small business men in Jordaan. They, like the workers themselves, are hit hard by the depression and also by the relief cut".

(By the way: The lootings hit the firm "Jamin", a big capitalistic enterprise in foodstuffs,-a chain store.)

The C.P. also advised the workers in order to combat the military onslaught of the ruling class to engage in such silly things as to organize "school strikes," "don't pay rent movements", etc.; but not a single word of the only thing which was logically necessary, "The General Strike".

The most important lesson to be drawn from the struggle of the unemployed in Amsterdam is the fact that successful group struggles are no longer possible. The difficulties in which the bourgeoisie finds itself, not only in regard to their diminished profits in this country but in their extended necessity to compete on the world market and thus prepare for the imperialistic actions, forces them to make of the workers not only paupers, but also willing tools in the hands of the ruling class. They are unable to stand even the weakest opposition on the part of the workers, and each demonstration against the policy of the bourgeoisie is translated by the ruling class as a direct menace against its existence.

What took place when the sailors of "De Zeven Provincien" revolted

was repeated with this demonstration of the unemployed. The sailors demonstrated against their miserable condition, but they were treated as if they had started a revolution. So again the "Handelsblaad" of July 5 writes: "Whosoever is building barricades in the City will be answered as it is the custom to answer when barricades are built".

The brutality with which the bourgeoisie answered even the slightest protest of the workers comes actually as a surprise to these workers. They did not even understand this at first. The sailors of "De Zeven Provincien" looked up to the army planes, and laughing, they never thought that these army planes would drop bombs to destroy the rebels. The workers of Amsterdam did not dream that a mere demonstration would turn the city into a battle field, with military tactics, barricades and killings; but they learn and they learn fast as their action proves. They will soon know that not even the weakest activity will be granted to them; that the ruling class is deadly serious in their determination to kill all actions in favor of the working class.

The periods of "Democracy", of "Parliamentary Humbug", of "Reforms" and of "Legal Action" is definitely over. Now machine guns make history, and realizing this new situation, the workers will also find out that it is absolutely necessary to adopt a class policy, and that success is only possible if the present system is destroyed through proletarian revolution.

* *

THE CLASS STRUGGLE IN SPAIN.

In the middle of September, "La Nacion", a leading bourgeois newspaper in Spain, wrote "that the danger growing out of this situation of strike activities can at this time only be combated by the erection of an open dictatorship". Since then the days were marked by increasing provocations by the government against the labor organizations, as well as the whole working class. Demonstrations, meetings, organizations were forbidden, the press suppressed, elections declared illegal and communist and socialist deputies replaced by reactionary ones. The bourgeois press spoke of a planned revolution, and supported the development of the fascist organizations. All this did not decrease the strike activity, and the consequences in which these strikes were carried through. The economic struggle became at once a struggle against the government, as the government has to assure its capitalists profits. The ruling class is determined to bring, by all means, the activity of the working class to a standstill, and is preparing for an open dictatorship supported by the growing fascist forces.

In the beginning of October, the strike situation changed to civil warfare. October 5th, about 100 deaths were reported, and the days following, this number increased more and more. The government engaged all military means to suppress what they called an uprising of the workers, after they had started this slaughtering of the workers merely for their strike activity. The streets of Madrid and of many of the smaller cities became battlefields. The heroism of the workers was remarkable in the face of their meagre weapons. "The troops have been given orders to fire on any suspicious person or manifestation". "All extremists carrying weapons shall be shot!",

ordered the premier. Once more it became clear that a real General Strike of the workers in such a situation is identical with civil war.

Using this melee, the separatists elements,partly supported by the C.P. slogans of national self-determination, also struck for their special interests. They declared Catalonia temporarily an independent republic, and led the class struggle in this part of Spain on the sidetrack of nationalism.

The issues of the workers were not clear. They were, by their different organizational interests, in a terrible ideological mess. Anarchists, syndicalists, communists and socialists were forced into one front against the fascisti and the fascist attitude of the government. They still fought in spite of this common enemy for their special group interests. This weakened the strength of the workers and also did away with all hope that out of the struggle would come anything more than a terrible defeat. Only by way of struggle, and especially this kind of struggle, will the workers recognize their true interests which forces them not only to the overthrow of this feudal-capitalist combination of exploitation in Spain, but also to the recognition that the enemy must be faced by a working class united on one issue, the issue of communism. The present class struggle can be regarded as evidence that class consciousness nowadays takes on at once concrete form. The workers learn to understand their problems, not merely on a purely ideological basis, but they learn at once by actual practice. The reality is more revolutionary than the ideas of the workers; and so even a defeat of the workers in Spain can indicate nothing more than a temporary one which also carries with it the weapons for certain success in the future.

* *

UPTON SINCLAIR ON THE ROAD TO FASCISM?

Two years ago, in relation to Sinclair and the Eisenstein movie, "Thunder Over Mexico", the critics already tried to point out that his ideology was of a fascist character. With his attitude towards the cutting up of the movie, he had lost his prestige as a socialist and was considered on the road to the class enemy. A good business man, however, is not necessarily also a fascist, and the noise about Sinclair's perversion soon died out.

He ran for governor several times on the Socialist ticket, and now he enters the Democratic Party with his Epic Platform (End Poverty In California) trying to gain as a bourgeois candidate what he had failed to reach as a Socialist. From our point of view, this makes no difference, but for the Socialists it is outright betrayal, and they look npw upon their former friend as a traitor, who is hurting the cause of socialism.

Sinclair brought the Democratic Party, as he himself boasts, about 300,000 members in a short time. He received about 400,000 votes and soon started a newspaper which in a few weeks attained a circulation of 175,000. He also sold about 200,000 copies of his platform. A very successful man, and we understand,the envy of all labor-fakers without a doubt.

The C.P. consider him the Orange Hitler of California. In one of the latest issues of "New Masses" (which had to take up the matter as Sinclair is a literary figure) he is classed as a full-fledged fascist, and should be treated as such. The "pure" fellows of the "New Masses" are, however, a bit misinformed. During August in Moscow, at the Congress of Russian Revolutionary Writers, one of the many under organizations of the C.I., a resolution was adopted and sent to Sinclair which says in part: "accept our most hearty and brotherly greetings, because you have always done and you are still doing with heroism your duty as a friend of the working class". We also find Theodore Dreiser, who adheres to the Third International, works directly for Sinclair's campaign fund. Dreiser also got a nice telegram from Moscow. At the time these telegrams were sent, it was positively known, and the Moscow Congress was aware, that Sinclair was already a member of the Democratic Party for more than a half a year and intended to run for governor.

This does not make the slightest difference to the Third International as Sinclair at least entered a party which completed the recognition of Russia by the United States, and which seems to be favorable to help in defending the "fatherland of the workers", in case the bargaining between Russia and Japan should collapse, and if a war becomes necessary to settle the differences between these two nations. In this event, it becomes the duty of American workers to volunteer in the American Army to help "defend the Soviet Union". Sinclair id doing heroically, a little early perhaps, what may eventually be the duty of the whole American working class. But this is not the only reason the Third International likes Sinclair. They know that it is possible for Sinclair to fight in the Democratic Party for the "status quo" of capitalism just as well, if not better, than in their own freakish organization, the C.P., which the Third International is slowly liquidating. Telegrams and warm, brotherly greetings for Sinclair; for the workers in the C.P. the empty phrases against Sinclair in order to use them for reactionary purposes indirectly; a purpose which Sinclair directly serves.

But Sinclair is just a freak. He never had any scientific understanding of capitalism or Socialism. He merely wrote sentimental stories to soften the hearts of millionaires; to make a nice world out of a capitalist world. Meanwhile, he made a good living. Occasionally he entertained the world by exhibiting his immeasureable stupidity, falling for all kinds of medical and social fakers. He never missed a chance to put himself in the spot light; too many years near Hollywood probably accounts for this.

Sinclair wants to bluff the voters of California and the workers also, that he, single-handed, can transform the capitalist system into a Socialist one. All that is necessary are a few new taxation laws. "Sock the rich" by taxes and give to the poor. By means of taxation force the proprietors of land and idle factories to turn them over to the unemployed who will engage on a grand scale self-help-movement, a movement which has been repeatedly proven a failure. By this means, too, he promises the farmer and middle-class a lighter tax burden, as the unemployed will provide for themselves. Many of his reformist ideas, old-age pensions, etc., cannot be successfully carried out inside the framework of capitalism, and if some of them are, they will deepen the crisis rather than help to overcome it.

The most important parts of the Epic program have been dropped, however. In order to insure himself the support of the Democratic Party, and in order not to hurt Roosevelt, he has thrown overboard his platform even before he is elected. The state-farms, factories run by the state, old age pension, etc., he dropped; nothing remains but empty phrases. He is willingly and knowingly betraying his voters in order to satisfy his film-star ideology; he cannot sleep well without being mentioned at least once daily in the papers

He claims that he and Roosevelt agree on everything, and that the "New Deal" has advanced to the position of 'Epic'. This is true. Epic has lost its main points and the New Deal is bankrupt. They are both bankrupt before they start working. Where there is nothing, there can be no disagreement; so the Democratic Party adopts Sinclair as its own.

Daily Sinclair becomes more patriotic. He now expresses what he always felt. It was formerly more outstanding to play at being a socialist, now there is more fame by showing fascist tendencies. There is no likelihood that he will become a California Hitler, as he is seeking advertisement - not power. He fills the space between the real acts in this historical drama, and when the social forces begin to move, he will probably be disposed of in short order by the real Fascists or pushed aside by a revolutionary Proletariat. The future will not be determined by freaks of his size, but will be determined by the social struggle for power.

* * * *

the eventual destruction of the old labor movement, and with it the income and prestige of "Leaders". Faced with this common danger, the petty differences of organizations are forgotten; unity on the basi of "Status Quo" is established, and the professional revolutionists are saved from what they call "The Horrible Reaction of Fascism". We will be good; no more revolutionary slogans; give us a chance; fascism is not necessary; labor and only labor, under a safe and sane leadership, can oil the troubled sea of economic chaos!

"Comrades", calls the National Conference of the Communist League o France, "join us in the ranks of the Socialist Party for the revolutionary struggle of the proletariat. Without renouncing our past and our ideas, but also without any mental reservations of sectarianism, we speak out what is. It is necessary to enter the Socialist Party, not for the sake of exhibitions nor of experiences, but for serious work under the banner of Marxism". J.P.Cannon, in the Militant #39, writes: "Prior to the decision of the conference to take this step, the National Committees of the Communist League of America decided by a majority of eight to one, to recommend this course of the French comrades, despite the great dangers and difficulties involved in such a drastic reorientation. We recommended this course with full confidence that they would remain true tp their banner and carry it with them into the Socialist Party".

The above, in plain English, is a command to join the party of social chauvinists; to join with the murderers of Liebknecht and Luxemburg; to join with the Otto Bauers, the Thomases and Vandervelts. The members of the Communist League in France who could not stomach this "reorientation" were expelled. Do the Trotskyites really believe that this "turn" will speed "social convulsions" and lead to a "radicalization of the masses"?; that in this "revolutionary rise" the Socialist Party will fight for the "Fourth International" and for Communism? Is this why they "orientate" from the "wing" of the Communist Party to follow at the "tail" of the Socialist Party? They don't!! The new orientation of the S.P. is based upon the thesis that the Socialist Movement in Austria and Germany fell because it was too revolutionary; that the S.P. must drop its revolutionary slogans, win the middle class, gain power and in that way make fascism impossible. The S.P. is offering to perform the task of the fascists themselves, and in this enterprise finds help from the Third International and its "wings", which in reality cannot be distinguished from the "Noske" and "Scheideman's".

We have said that the old labor movement reaches from "Noske" to Trotsky. It has departed only temporary. The departure was only a family fight; now they are united again. The "Left Leadership" of the old labor movement have gone over to the petty bourgeoisie. They have come home not to die, but to eat. In order to eat, these fakers offer themselves to the capitalist class as a way out that is better than fascism. In doing so, they become, in the words of Trotsky: "the party of counter-revolutionary despair." They prove to the workers by these zigzags that they are cheap demagogues, servants of capitalism, enemies of the revolution who live by betrayal. They prove by deeds that this "Bolshevik Leninist kernal" is as mouldy and worm-eaten as the other peas in the pod. They prove that the Socialist Party, Communist Party and Left Opposition have always been afflicted with a capitalist ideology. They prove that they are revolutionists in name, constitutionalists in deed. They fight with their flag

unfurled, and must be crushed with the capitalist traditions of yesterday. They are fakers again making history, struggling in a feeble effort to ward off the dialectic movement of reality. Meanwhile, the class struggle deepens - real revolutionists must carry on!

* * * * * * * * * *

It has come to our notice that the Weisbord group, another "wing" of the Bolsheviks, who have "adhered" to the Trotsky movement internationally while opposing the Left Opposition in America, have repudiated Trotsky and his whole movement on the basis of this new orientation.

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(A pamphlet which foretells the events described in the article above, and analyzes the entire Bolshevik movement.)

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"THESES ON BOLSHEVISM"

(Prepared Jointly by the Group of International Communists of Holland. Translated From "Ratekorrespondenz" #3, the Council Correspondence Published by the G. of I. C. of H. at Amsterdam, Holland,-the International Correspondence Bureau of the Left Communist Groups and the Council Movement of Europe.)

I. - The Significance of Bolshevism.

1. In Soviet Economy and the Soviet State, bolshevism has created for itself a closed field of social practice. In the Third International, it has organized an instrument for controlling and influencing the labor movement on international paths. Its directives in matters of principle and tactics are elaborated in "Leninism". The question arises: Is the Bolshevik theory, as Stalin says, Marxism in the epoch of imperialism and the social revolution? Is it, accordingly, the axis of the revolutionary movement of the proletariat on an international scale?

2. Bolshevism obtained its international reputation in the proletarian class movement, first, by its consistent revolutionary struggle against the World War of 1914-18 and, secondly, by the Russian Revolution of 1917. Its world-historic importance lies in the fact that, under the consistent leadership of Lenin, it recognized the problems of the Russian Revolution and at the same time created, in the Bolshevist Party, the instrument by which those problems could be practically solved. The adaptation of Bolshevism to the problems raised by the Russian Revolution was brought about by 20 years of painstaking and consistent development with the aid of insight into the fundamental class questions involved.

3. The question of whether this successful mastery of its tasks entitles Bolshevism to leadership, in theory, tactics and organization of the international proletarian revolution involves, on the one hand, an examination of the social bases and preconditions of the Russian Revolution, and, on the other, of the problems of the proletarian revolution in the great capitalist countries.

II. - The Preconditions of the Russian Revolution.

4. Russian society was decisively conditioned by its position between Europe and Adia. While the more progressive economic force and the stronger international position of Western Europe destroyed in Russia, before the end of the Middle Ages, the first beginnings of a commercial capitalist development, the political superiority of oriental despotism created the foundations for the absolutist state apparatus of the Russian Empire. Russia thus occupied, not only geographically but also economically and politically, an intermediate position between the two continents, combining their different social and political systems in its own peculiar way.

5. This internationally ambiguous position of Russia has decisively influenced not only its remote past, but also the problems of its revolution in the first two decades of the 20th century. The capitalist system in the era of imperialist upswing created two mutually opposed but intimately interlaced centers: the highly developed capitalist center of active imperialist advance in the strongly industrialized area of Western Europe and North America, and the colonial center of passive imperialist plunder in the agricultural regions of Eastern Asia. The class menace to the imperialist system thus arises from both these centers: the international proletarian revolution finds its pivot in the highly developed capitalist countries of Europe and America, the national agrarian revolution in the peasant countries of Eastern Asia. In Russia, which stood at the dividing point between the spheres of influence of the two imperialist centers, the two revolutionary tendencies were mingled.

6. The Russian economy was a combination of antiquated agrarian production characteristic of Asia, and of modern industrial economy characteristic of Europe. Serfdom in various forms survived in practice for an enormous majority of Russian peasants. The small beginnings of capitalist agriculture were thus hindered in their development. They merely caused the breaking up of the Russian village, its indescribable pauperization, while leaving the peasant chained to a soil which no longer was able to nourish him. Russian agriculture, embracing four-fifths of the Russian population and more than half the total production, was until 1917 a feudal economy sprinkled with capitalistic elements. Russian industry was engrafted upon the country by the czarist regime, which wanted to be independent of foreign countries especially in the production of army supplies. Since, however, Russia lacked the basis of a well developed system of handicrafts and the rudiments for the building of a class of "free laborers", this state capitalism, though born as mass production, created no wage-working class. It was a system of capitalistic serfdom, and preserved strong traces of this peculiarity down to 1917 in such features as the mode of wage payments, barracking of the workers, social legislation, etc. The Russian workers were therefore not only technically backward, but also to a great extent illiterate and in large part directly or indirectly bound to the village. In many branches of industry, the labor force was made up mainly of seasonal peasant workers who had no permanent connection with the city.

Russian industry until 1917 was a system of capitalist production interpersed with feudal elements. Feudal agriculture and capitalist industry were thus mutually penetrated with each other's basic elements

and had been combined into a system which could neither be governed by feudal principles of economy nor furnish the foundations for an o ganic development of its capitalistic elements.

7. The economic task of the Russian Revolution was, first, the setting aside of the concealed agrarian feudalism and its continued exploitation of the peasants as serfs, together with the industrialization of agriculture, placing it on the plane of modern commodity production; secondly, to make possible the unrestricted creation of a class of really "free laborers", liberating the industrial development from all its feudal fetters. Essentially, the tasks of the bourgeois revolution.

8. It was on this foundation that the State of czarist absolutism arose. The existence of this State depended on an equilibrium between the two possessing classes, neither of which was able to dominate the other. If capitalism furnished the economic backbone of that State, its political prop was provided by the feudal nobility. "Constitution" "right to vote", and system of "self-government" could not conceal the political impotence of all classes in the czarist State which, under the conditions of the country's economic backwardness, produced a method of government which was a mixture of European absolutism and Oriental despotism.

9. Politically, the tasks confronting the Russian Revolution were: the destruction of absolutism, the abolition of the feudal nobility as the first estate, and the creation of a political constitution and an administrative apparatus which would secure politically the fulfillment of the economic task of the Revolution. The political tasks of the Russian Revolution were, therefore, quite in accord with its economic presuppositions, the tasks of the bourgeois revolution.

III. - The Class Groupings of the Russian Revolution.

10. Due to the peculiar social combination of feudal and capitalistic elements, the Russian Revolution was also confronted with complicated tasks. It differed in essence as fundamentally from the classic bourgeois revolution as the social structure of Russian absolutism at the beginning of the 20th century differed, say, from that of French absolutism in the 17th century.

11. This difference, corresponding to the dissimilar economic foundation, found its clearest political expression in the attitude of the various classes of Russia toward Czarism and the revolution. From the standpoint of their economic interests, all these classes were fundamentally in opposition to Czarism. In political practice, however, this opposition differed not only in degree but was quite different also in its aim and goal.

12. The feudal nobility fought fundamentally only for the extension of its influence over the absolutist State, wishing to keep it intact for the safeguarding of its privileges.

13. The bourgeoisie, numerically weak, politically dependent and directly bound to Czarism through state subsidies, made numerous shifts in its political orientation. The Decembrist movement of 1825 was the only active revolutionary attack on the absolutist State.

At the time of the terrorist movement of the Narodniki in the 70's and 80's, they supported the revolutionary movement passively for the purpose of strengthening the pressure on Czarism. They also attempted to utilize, as a means of pressure, the revolutionary strike movements down to the October struggles of 1905. Their aim was no longer the overthrow but the reform of Czarism. During the parliamentary period from 1906 to the spring of 1917, they entered upon a phase of cooperation with Czarism. Finally, the Russian bourgeoisie, in flight from the consequences of the revolutionary struggles of the proletarian and peasant masses, arrived at unconditional surrender to czarist reaction in the period of the Kornilov Putsch, which was designed to reestablish the former power of the Czar. It became counter-revolutionary even before the tasks of its own revolution had been accomplished. The first class characteristic of the Russian Revolution is, therefore, the fact that as a bourgeois revolution it had to be carried through not only without but directly against the bourgeoisie. Thus arose a fundamental alteration of its whole political character.

14. In conformity with their overwhelming majority, the peasants became the social group which at least passively determined the Russian Revolution. While the numerically less important capitalistic--middle and upper--peasantry represented a liberal, petty-bourgeois policy, the preponderant number of famishing and enslaved small peasants were forced by elemental necessities into the course of violent expropriation of the large estates. Unable to pursue a class policy of their own, the Russian peasant elements found themselves compelled to follow the leadership of other classes. Until Februaru 1917 they had, on the whole, despite sporadic revolts, been the firm basis of Czarism. As a result of their massive immobility and backwardness, the 1905 revolution collapsed. In 1917 they were decisive in bringing about the end of Czarism, which had organized them in great social units in the army, in that they passively crippled the conduct of the war. By their primitive but irresistible revolts in the villages during the further course of the Revolution, thus doing away with the large estates, they created the necessary conditions for the victory of the Bolshevik revolution which, during the years of civil war, was able to maintain itself only by reason of their further active assistance.

15. In spite of its backwardness, the Russian proletariat possessed great fighting strength, due to the merciless schooling of the combined czarist and capitalist oppression. It threw itself with enormous tenacity into the actions of the Russian bourgeois revolution and became its sharpest and most reliable instrument. As each of its actions, through the clash with Czarism, became a revolutionary one, it developed a primitive class-consciousness which in the struggles of 1917, especially in the spontaneous taking over of dominant enterprises, raised itself to the height of subjective communist will.

16. The petty-bourgeois intelligentsia played a distinct role in the Russian Revolution. Intolerably restricted in material and cultural matters, hindered in professional progress, schooled in the most advanced ideas of Western Europe, the best forces of the Russian intelligentsia stood in the forefront of the revolutionary movement, and by their leadership imprinted upon it a petty-bourgeois, jacobinical stamp. The Russian social-democratic movement, in its professional-revolutionary leader-element, constitutes primarily a party of the

revolutionary petty-bourgeoisie.

17. For the class solution of the problems presented by the Russian Revolution, there arose a peculiar combination of forces. The enormous peasant masses formed its passive foundation; the numerically weaker but revolutionarily strong proletarian masses represented its fighting instrument; the small element of revolutionary intellectuals arose as the master mind of the Revolution.

18. This class triangle was a necessary development of czarist society which was ruled politically by the absolutist, independent State, based on the disfranchised possessing classes; the feudal nobility and the bourgeoisie. The peculiar problems involved in accomplishing the bourgeois revolution without and against the bourgeoisie grew out of the necessity for the overthrow of Czarism, of mobilizing the proletariat and peasantry in the struggle for their own interests and thereby destroying not only Czarism but the existing forms of feudal and capitalist exploitation. Numerically, the peasants would have been able to handle the matter alone, but were politically not in a position to do so as they were unable to actualize their class interests except by subordinating themselves to the leadership of some other class element which in a certain measure determined to what degree the class interests of the peasantry were carried through. The Russian workers developed, in 1917, the beginnings of an independent communist class policy, but lacked the social presuppositions for their victory, which as a victory of the proletarian revolution would have had to be a victory also over the peasantry. This was impossible for the Russian proletariat which, in its various strata, numbered but ten millions. Accordingly they--just like the peasants--had to subordinate themselves to the leadership of a group of intellectuals not organically bound up with their interests..

19. The creation of the organized leadership of the Russian Revolution and the development of an appropriate tactic is the merit of the Bolsheviks. They accomplished the seemingly hopeless task of creating the contradictory alliance between the peasant masses fighting for private property and the proletariat fighting for communism, thus making the revolution under its difficult conditions possible and assuring its success by binding together this contradictory peasant-worker combination with the iron links of their party dictatorship. The Bolsheviks constitute the leadership party of Russia's revolutionary petty-bourgeois intelligentsia; they accomplished the historical task of the Russian Revolution, namely, the fitting of history to the back of the bourgeois-revolutionary peasantry combined with the proletarian-revolutionary working class.

IV. - The Essence of Bolshevism.

20. Bolshevism has all the fundamental characteristics of bourgeois-revolutionary policy intensified by the insight (taken over from Marxism) into the laws of movement of social classes. Lenin's phrase, "the revolutionary social democrat is the Jacobin linked with the masses", is more than an external comparison. It is rather an expression of the inner technico-political affinity with the movement of the revolutionary petty-bourgeoisie of the French revolution.

21. The basic principle of Bolshevik policy--the conquest and exercise of power by the organization--is jacobinical. The guiding line of the great political perspective and of its realization through the tactic of the Bolshevik organization fighting for power is jacobinical; the mobilization of all suitable means and forces o. society for the overthrow of the absolutist opponent, combined with the application of all methods which promise success; zigzagging and compromising with any social force which may be used, if even for the shortest time and in the least important sector of the struggle. The fundamental idea of bolshevist organization, finally, is jacobinical; the creation of a strict organization of professional revolutionists which will remain a pliant tool of an omnipotent leadership.

22. Theoretically, Bolshevism has by no means developed a thought structure of its own which could be considered a closed system. It has, rather, taken over the Marxist method of looking at classes and adapted it to the Russian revolutionary situation, i.e. basically changed its content while maintaining its concepts.

23. The one ideological achievement of Bolshevism is the connecting of its own political theory as a whole with philosophical materialism. As a radical protagonist of the bourgeois revolution, it falls upon the radical, philosophical ideology of the bourgeois revolution and makes it the dogma of its own view of human society. This fixation upon philosophical materialism is accompanied by a continual backsliding into philosophical idealism which considers political practice as in the last instance the emanation of the action of leaders. (Treason of reformism; idolatry of Lenin and Stalin.)

24. The organization of Bolshevism arose out of the social-democratic circles of intellectual revolutionists and developed through factional struggles, splits and defeats into an organization of leaders with the dominant positions in the hands of the petty-bourgeois intellectuals. Its further growth, favored by the continuously illegal situation, established it as a political organization of military character, based on professional revolutionists. Only through such a straight-laced instrument of leadership could the Bolshevik tactic be carried through and the historical task of Russia's revolutionary intelligentsia be fulfilled.

25. The Bolshevik tactic, in the service of pursuing the conquest of power by the organization, revealed--especially up to October 1917 a powerful inner consistency. Its continual outer fluctuations were essentially only temporary adaptations to altered situations and to altered relations of forces between the classes. In accordance with the principle of absolute subordination of the means to the end, without any consideration of the ideological effect on the classes which it led, the tactic was overhauled even in apparently fundamental questions. It was the task of the functionaries to make each of these manoeuvers understandable to the "masses". On the other hand, every ideological stirring among the masses, even when fundamentally in contradiction to the party program, was utilized. That could be done because the only issue was the unconditional capture of masses for its policy. It had to be done because these masses, workers and peasants, had contradictory interests and a completely different consciousness. Precisely for this reason, however, the tactical method of

Bolshevism reveals its connection with revolutionary-bourgeois policy; it is, in fact, the method of that policy which Bolshevism actualizes.

V. - The Directives of Bolshevist Policy.

26. The goal which furnished the starting point of Bolshevism is the overthrow of the czarist system. As an attack on absolutism, it is of revolutionary-bourgeois character. To this goal is subordinated the struggle about the tactical line within the Russian social democracy. In this struggle, Bolshevism develops its methods and slogans.

27. It was the historical task of Bolshevism to weld together, by its leadership tactic, the rebellion of the proletariat and peasantry, who stood on quite different social planes, to the end of common action against the feudal State. It had to combine the peasant revolt (action of the bourgeois revolution at the beginning of the development of bourgeois society) with the proletarian revolt (action of the proletarian revolution at the end of the development of bourgeois society) into a unified action. It was able to do this only by reason of the fact that it unfolded a grand strategy in which use was made of the most diverse class stirrings and tendencies.

28. This utilization strategy begins with the willingness to capitalize the smallest splits and cracks in the opponent's camp. Thus Lenin once spoke of the liberal proprietors as "our allies of tomorrow", while at another time he came out for support of the priests who turned against the government because of their material neglect. He was also ready to support the religious sects persecuted by Czarism.

29. The clarity of Lenin's tactic, however, reveals itself in the fact that, especially as a result of the experiences of 1905, he posed the question of the "allies of the revolution" on the right line, in that he turned more sharply against all compromises with the dominant capitalist groups and restricted the policy of the "ally" and of compromises to the petty-bourgeois and small-peasant elements, i.e. those elements which alone historically could be mobilized for the bourgeois revolution in Russia.

30. The two-class basis of Bolshevik policy is expressed broadly in the tactical slogan of the "democratic dictatorship of the workers and peasants", which in 1905 was made the general guiding line of Bolshevik policy and which still carried with it the illusionary idea of some sort of parliamentarism without the bourgeoisie. It was later replaced by the slogan of a "class alliance between the workers and peasants". Behind this formula was concealed nothing but the necessity of setting both these classes in motion for the Bolshevik policy of seizing power.

31. The temporary slogans under which these two classes determining for the Russian Revolution were to be mobilized on the basis of their contradictory interests were ruthlessly subordinated to the one purpose of using the forces of these classes. In order to mobilize the peasantry, the Bolsheviks as early as 1905 or thereabouts coined the slogan of "radical expropriation of the landed proprietors by the peasants". This slogan could be regarded from the peasants' standpoint as an invitation to divide the big estates among

the small peasants. When the Mensheviks pointed out the reactionary content of the Bolshevik agrarian slogans, Lenin informed them that the Bolsheviks had not in the least decided what was to be done with the expropriated estates. To regulate this matter would be the function of social-democratic policy when the situation arose. The demand for expropriation of the large estates by the peasants was thus of a demagogic character, but struck the peasants on the dominant point of their interests. In like manner, the Bolsheviks have also dropped slogans among the workers, e.g. that of the soviets. Determining for their tactic was merely the momentary success of a slogan which was by no means regarded as an obligation of principle on the part of the party with respect to the masses, but as a propagandistic means of a policy having for its final content the conquest of power by the organization.

32. In the period 1906-14, Bolshevism developed, in the combination of legal with illegal activity, the tactic of "revolutionary parliamentarism". This tactic was in accord with the situation of the bourgeois revolution in Russia. With the aid of this tactic, it sucoeeded in linking the day-to-day guerilla warfare between the workers and Czarism, and between the peasants and Czarism, into the great line of preparation for the bourgeois revolution under Russian conditions. In particular, each step in parliamentary activity on the part of the Russian social democracy bore, in consequence of czarist dictatorial policy, a bourgeois-revolutionary character. In its tactic of mobilizing the two decisive classes of the Russian Revolution in the altered situation between the revolution of 1905 down to the World War, this aim was further pursued and the Duma was used as a tribune for its propaganda among the workers and peasants.

VI. - Bolshevism and the Working Class.

33. Bolshevism has solved the historical problem of the bourgeois revolution in feudal-capitalist Russia with the aid of the proletariat as the active, fighting instrument. It has also appropriated the revolutionary theory of the working class and transformed that theory to suit its purposes. "Marxism-Leninism" is not Marxism, but a filling of the Marxist terminology adapted to the needs of the bourgeois revolution in Russia with the social content of the Russian Revolution. This theory becomes, in the hands of the Bolsheviks, and in spite of its being a means of understanding the class structure and tendencies of Russia, also the means of veiling the actual class content of the Bolshevik revolution. Behind the Marxist concepts and slogans is concealed the content of a bourgeois revolution which had to be brought about, under the leadership of a revolutionary petty-bourgeois intelligentsia, by the united assault of a socialistically oriented proletariat and a peasantry tied to private property, against czarist absolutism, land-owning nobility and the bourgeoisie.

34. The absolute claim to leadership on the part of the revolutionary, petty-bourgeois and jacobinical intelligentsia is concealed behind the Bolshevik conception of the role of the Party among the working class. The petty-bourgeois intelligentsia could expand its organization into an active revolutionary weapon only on condition of attracting and making use of proletarian forces. It therefore called its jacobinical party proletarian. The subordination of the fighting working class to the petty-bourgeois leadership was justi-

fied by Bolshevism on the theory of the "vanguard" of the proletariat--a theory which it extended in practice to the principle that the party is the embodiment of the class. The Party, that is, is not an instrument of the working-class, but the working-class an instrument of the Party.

35. The necessity for basing Bolshevik policy on the two lower classes of Russian society is transcribed by Bolshevism into the formula of a "class alliance between the proletariat and the peasantry"--an alliance in which logically antagonistic class interests are consciously lumped together.

36. The demand for unconditional leadership of the peasantry is disguised by Bolshevism with the formula of the "primacy of the proletariat in the revolution". As the proletariat in its turn is ruled by the Bolshevik Party, the "primacy of the proletariat" means the primacy of the Bolshevik Party and its claim to governing both classes.

37. The Bolshevik pretention of seizing power with the support of two classes finds its highest expression in the Bolshevik concept of the "dictatorship of the proletariat". In conjunction with the concept of the Party as the absolute leader-organization of the class, the formula of the proletarian dictatorship naturally means mastery on the part of the jacobinical-bolshevik organization. Its class content is furthermore completely done away with by the bolshevik definition of the dictatorship of the proletariat as the "class alliance between proletariat and peasantry under the primacy of the proletariat". (Stalin and the program of the Comintern." The Marxist principle of the dictatorship of the working class is thus distorted by Bolshevism into the rule over two opposed classes by the jacobinical party.

38. The bourgeois character of the Bolshevik revolution is underscored by the Bolsheviks themselves in their revised slogan of the "people's revolution", i.e. the common struggle of different classes of a people in one revolution. That is the typical slogan of every bourgeois revolution which behind a bourgeois leadership brings masses of petty-bourgeois peasants and proletarians into action for its own class aims.

39. In view of the organization's struggle for power over the revolutionary classes, every democratic attitude of Bolshevism becomes a mere tactical chess move. This has been proved particularly in the question of workers' democracy in the soviets.The Leninist slogan of March 1917, "all power to the soviets", bore the typical two-class aspect of the Russian Revolution, for the soviets were the "councils of workers, peasants and soldiers" (i.e. again peasants) Furthermore, the slogan was mere tactic. It was put forth by Lenin in the February revolution because it seemed to assure the "peaceful" transition of control from the social-revolutionary Menshevik ocalition to the Bolsheviks by the increase of their influence in the soviets. When, after the July demonstration, the influence of the Bolsheviks over the soviets declined, Lenin temporarily abandoned the soviet slogan and demanded the organization of other slogans of insurrection by the Bolshevik Party. It was only when, as a result o the Kornilov Putsch, the bolshevik influence in the soviets again sharply increased, that Lenin's party again took up the soviet sloga

Since the Bolsheviks regarded the soviets preponderantly as organs of insurrection instead of as organs of self-government of the working class, they made it all too clear that to them the soviets were only a tool by the aid of which their party could take over the power. This has been demonstrated in general practice, not only by their organization of the soviet state after the conquest of power, but also in the special case of the bloody repression of the Kronstadt rebellion. The peasant-capitalist demands of this insurrection were granted by the NEP; its proletarian-democratic demands, however were drowned in working-class blood.

40. The struggle over the content of the Russian soviets led, as early as 1920, to the formation of a genuine, though on the whole still weak, communist current in the Party. The workers' opposition (Utyanikov) represented the idea of carrying through soviet democracy for the working-class. Like all other serious oppositions of this nature, later on, it was eradicated by imprisonment, exile and military execution, but its platform remains as the historical starting point for an independent, proletarian-communist movement against the Bolshevik regime.

41. The attitude of the Bolsheviks toward the trade union question is likewise determined from the point of view of control and leadership of the workers by the Bolshevik party. In Russia, the Bolsheviks have completely taken away from the trade unions their character of labor organizations, by governmentalizing and militarizing them by the compulsory character imposed upon them after the conquest of power. In the other countries, the final result of the Bolshevik policy has been to protect the bureaucratic, reformist trade-union organizations, and instead of the breaking up of such organizations, the Bolsheviks have advocated the "conquest" of their apparatus. They were bitter opponents of the idea of revolutionary, industrial organizations because these latter embodied democratic democracy. The Bolsheviks fought for the conquest or renovation of organizations controlled by the centralistic bureaucracy, which they thought to rule from their own command posts.

42. As a leader-movement of jacobinical dictatorship, Bolshevism in all its phases has consistently combatted the idea of self-determination of the working class and demanded the subordination of the proletariat to the bureaucratized organization. In the discussion which took place, prior to the war, on the question of organization within the Second International, Lenin was a violent and vindicative opponent of Rosa Luxemburg and supported himself outspokenly on the centrist Kautsky, who during and after the war clearly revealed his policy of class betrayal. Bolshevism had even then, as constantly since, proved that it not only has no understanding of the question of developing the consciousness and the class organizations of the proletariat, but that it also combats with all means all theoretical and practical attempts to develop actual class organizations and class policies.

VII. - The Bolshevik Revolution.

43. Bolshevism has called the revolution of February the bourgeois revolution, and that of October the proletarian revolution in order to be able to pass off its later regime as proletarian class rule and

its economic policies as socialism. The absurdity of this division of the revolution of 1917 becomes clear merely from consideration of the fact that in that case a development of seven months would have sufficed to create the economic and social presuppositions for a proletarian revolution in a country which had just entered the process of its bourgeois revolution, i.e. simply to leap an economic and social phase of development that would at least require decades. In reality, the revolution of 1917 id a quite unitary social prooess of transformation, beginning with the collapse of Czarism and attaining its climax with the victorious armed insurrection of the Bolsheviks on November 7th. This violent process of transformation is that of Russia's beurgeois revolution under the historically created, peduliar Russian conditions.

44. In this process, the party of the revolutionary, jacobinical intelligentsia seized power on the two social waves of peasant and proletarian mass insurrection and created in the place of the shattered governing triangle, Czarism, nobility, bourgeoisie, the new governing triangle, bolshevism, peasantry, working class. Just as the state appartus of Czarism ruled independently over the two possessing classes, so the new Bolshevik state apparatus began to make itself independent of its double class basis. Russia stepped out of the conditions of czarist absolutism into those of Bolshevik absolutism.

45. Bolshevik policy attains, during the revolutionary period, its highest point in the way of embracing and mastering the class forces of the revolution. The acme of their revolutionary tactic is reached in the preparation and carrying qut of the armed insurrection. The question of the violent uprising became for the Bolsheviks a question of an exact, thoroughly scheduled and planned military action, the head of which as well as its driving and controlling force was the Bolshevik Party with its military formations. Conception, preparation and execution of the armed insurrotion by the Bolsheviks bear the obvious stamp of the jacobinical conspiracy, (in the Russian Revolution again the only possible policy) that is, of insurrection under the peculiar conditions of carrying through the bourgeois revolution against the bourgeoisie.

46. The inner character of the Bolshevik revolution as a bourgeois revolution reveals itself in its economic slogans. To the peasant masses, the Bolsheviks represented the violent expropriation of the large estates by the spontaneous action of the land-hungry small peasantry. They perfectly expressed in their agrarian practice and slogans (Peace and Land) the interests of the peasants fighting for the security of small private property, hence on capitalistic lines, and were thus, on the agrarian question, ruthless champions of small-capitalist, hence not socialist-proletarian interests against feudal and <u>capitalist</u> landed property.

47. Nor with regard to the workers were the economic demands of the Bolshevik revolution filled with a socialist content. Lenin on several occasions repelled with distinct sharpness the Menshevik criticism that Bolshvism represented a utopian policy of socialization of production in a country not yet ripe for it. The Bolsheviks declared that in the revolution it was not at all a question of socialization of production, but of control of production by the worker

The slogan of control of production served the attempt to maintain capitalism as a force for technical and economic organization of pro duction, but depriving it of its character of exploitation. The bou geois character of the Bolshevik revolution and the Bolshevik self- restriction to this bourgeois economic character, as opposed to the consolidation of the results of the overthrow of 1917, could not be shown more clearly than in this slogan of control of production.

48. The elemental force of the workers' attack, on the one hand, and the sabotage of the dethroned employers on the other, meanwhile drove the Bolshevik industrial policy further into taking over the industrial enterprises by the new governmental bureaucracy. The state economy which at first, throughout the period of war communism, almost choked from overorganization (Glavkism), was denoted by Lenin as <u>state capitalism.</u> The designation of the Bolshevik state economy as socialist is a product of the Stalinist era.

49. Lenin himself had, however, no other fundamental conception of socialization of production than that of a bureaucratically conducted state economy. To him the German war economy and the postal service were illustrations of socialist organization, i.e. economic organization of an outright bureaucratic character, centralistically controlled from above. He saw only the technical, not the proletarian, social side of the socialization problem. Lenin likewise based himself, and with him Bolshevism in general, on the concepts of socialization propounded by the centrist Hilferding, who in his "Finance Capital" had sketched an idealized picture of a completely organized capitalism. The actual problem in socializing production, i.e. the taking over of the enterprises and the organization of economy through the working class and its class organizations, the shop councils; Bolshevism has completely passed it by. It had to be passed by because the Marxist idea of the association of free and equal producers is directly opposed to the essence of the rule of a jacobinical organization, and because Russia did not possess the social and economic conditions necessary for socialism. The socialization concept of the Bolsheviks is therefore nothing but a capitalist economy taken over by the State and directed from the outside and from above by its bureaucracy. The Bolshevik socialism is state-organized capitalism.

VIII. - Bolshevik Internationalism and the National Question.

50. During the World War, the Bolsheviks represented a consistently international standpoint under the slogan "Convert the imperialis war into civil war" and had apparently conducted themselves as consistent Marxists. But their revolutionary internationalism was as much determined by their tactic in the struggle for the Russian Revolution as was later their swing to the NEP. The appeal to the inte - national proletariat was only one side of a large-laid policy for international support of the Russian revolution. The other side was the policy and propaganda of "national self-determination" in which the class outlook was even more definitely sacrificed than in the concept of "people's revolution", in favor of an appeal to all classes of certain peoples.

51. This double-faced "two-class internationalism" of the Bolsheviks corresponded to the international situation of Russia and of

revolution. Russia stands between the two centers of the imperialist world system, geographically and sociologically. In Russia, where the active imperialist and the passive colonial tendencies met, the system collapsed. The reactionary classes of Russia were incompetent to put it together again, as their decisive defeat in the Kornilov Putsch and later in the civil war has proved. The only real danger threatening the Russian revolution was that of imperialist intervention. Only military invasion on the part of imperialist capital could strike down Bolshevism and restore Czarism - the old regime which had been built into the world system of imperialist exploitation both as an instrument and as material at the same time. The problem of active defense of Bolshevism against world imperialism consisted, therefore, in counter-attacking in the imperialist centers of power. This was brought about through the two-sided international policy of Bolshevism.

52. With the standpoint of the international proletarian revolution, Bolshevism propagated an internal attack by the international proletariat on the center of world imperialism in the highly developed capitalist countries. With the policy of "the right to national self-determination" Bolshevism propagated an attack by the oppressed peasant peoples of the Far East on the colonial center of world imperialism. In a double-phased international policy adjusted to tremendous perspectives, Bolshevism attempted to lengthen the proletarian and peasant arms of its revolution into the international stretches of world capitalism.

53. The position of Bolshevism on the "national question" is practical, hence not merely an expedient of the bourgeois revolution of its own country, - a revolution which wished to strike Czarism with the aid of the national instincts of the oppressed peasant elements, and nationalities of the Russian Empire. It is, at the same time, the peasant internationalism of a bourgeois revolution which was accomplished in the age of world imperialism and which could hold out in the meshes of the imperialist net only with the aid of an internationally oriented and activated counter-policy.

54. As instruments of Bolshevist leadership for this policy of international support for the bourgeois revolution accomplished on Russian soil, Bolshevism attempted to create two international organizations: the Third International to mobilize the workers of the highly developed capitalist countries, and the Peasant International as an organization for Bolshevik mobilization of the oriental peasant peoples. As the final guiding thought of this international double-class policy there appeared the idea of the world revolution, in which the international (European-American) proletarian revolution and the national (mainly Oriental) peasant revolution were to be riveted into a new international unity of bolshevik world policy under the strict leadership of Moscow. Thus the concept of "world revolution" has for the Bolsheviks an altogether different class content. It no longer has anything in common with the international proletarian revolution.

55. The international policy of Bolshevism was thus directed to repeating the Russian Revolution on a world scale by simultaneous utilization of the proletarian and the peasant-bourgeois revolutions and thereby making the leadership of the Bolshevik party of Russia

the commander of a world bolshevik system of coupling together the communist-proletarian and peasant-capitalist interests. This policy was insofar positive as it has protected the Bolshevik State from imperialist invasion by continually disquieting the capitalist States, and thereby has given it time to build itself gradually into the world imperialist system again by the capitalist methods of commercial relations, economic agreements and non-agression pacts. It has given Russia the opportunity for an unhindered national building up and extension of its own internal position. The two-front policy of Bolshevism was negative in that on both sides the attempt to carry over the active bolshevik policies onto a world scale has collapsed. The experiment of the Peasant International has completely broken down with the defeat of bolshevik policy in China. The Third International, after the pitiful collapse of the Communist Party of Germany, is no longer a factor in bolshevik world policy. The gigantic attempt to transplant the bolshevik policy of Russia into world relations is historically a failure, and proves the national, Russian limitations of Bolshevism. At any rate, the bolshevik experiment in international Machtpolitik has afforded time and space for the retreat of Bolshevism onto its national (Russian) position and for the conversion to capitalist-imperialist methods of international policy. Theoretically, this retreat found its expression in the formula "socialism in one country", thereby removing the international ties from the concept of "socialism" after the Russian economic practice had already robbed it of its proletarian class content and turned it into a disguise of state-capitalist tendencies found as well in reformism and in petty-bourgeois fascism.

56. Actually, it is unessential, now that we have the results of 15 years of the bolshevist State and of the bolshevist international, whether Lenin at or before the founding of the Comintern had or had not a different idea about the effect of this bolshevist international. In practice, Bolshevism with its concept of the "right to national self-determination" has developed the tendencies to a world-bolshevik Machtpolitik. It has also, through the Comintern, decisively contributed to the result that the European proletariat was unable to rise to the height of revolutionary communist insight and instead remained stuck in the mud of reformist concepts revived by Bolshevism and decorated with revolutionary phrases. Thus it has come about that the concept of the "Russian Fatherland" has become the cornerstone of the whole policy of the bolshevik parties, whereas for proletarian communism the international working class stands at the center of all international orientation.

IX. - State Bolshevism and the Comintern.

57. The establishment of the Soviet State was the establishment of the rule of the party of bolshevik Machiavellism. The sociological basis of this state power, made independent of its supporting classes and creating the new social element of the bolshevist bureaucracy, was composed of the Russian proletariat and peasantry. The proletariat, enchained with the methods of compulsory membership in the trade unions and the terrorism of the Tcheka, formed the basis of the bolshevistic, bureaucratically conducted state economy. The peasantry concealed and still conceals in its ranks the private capitalist tendencies of that economy. The Soviet State in its inner policy was continually being tossed back and forth between the two tendencies.

It has attempted to master them through violent organizational methods such as the five-year plan policy and compulsory collectivization In practice, however, it has only increased the economic difficulties to the danger point of an explosion of the economic contradictions by the intolerable overtensioning of the forces of the workers and peasants. The experiment in bureauoratically planned state economy can by no means be denoted as a complete success. The great international cataclysms threatening Russia are bound to increase the contradictions of its economic system till they become intolerable and may enormously hasten the collapse of the hitherto gigantic economic experiment.

58. The inner character of Russian economy is determined by the following circumstances: it rests on the foundation of commodity production; it is conducted according to the viewpoints of capitalist profitability; it reveals a decidedly capitalist system of wages and speed-up; it has carried the refinements of capitalist rationalization to the utmost limits. Bolshevist economy is state production with capitalistic methods.

59. This state form of production also produces surplus value, which is squeezed out of the workers in fullest measure. The Russian State does not, to be sure, reveal any class of people who individually and directly are the beneficiaries of the surplus-value production, but it pockets this surplus value through the bureaucratic, parasitical apparatus as a whole. In addition to its own quite costly maintenance, the surplus value produced serves for the expansion of production, the support of the peasant class and as a means of settlement for the foreign obligations of the State. So that, in addition to the economically parasitical element of the ruling bureaucracy, the Russian peasants, as a distinct part of international capital, are the beneficiaries of the surplus value produced by the Russian workers. The Russian state economy is therefore profit production and exploitation economy. It is state capitalism under the historically unique conditions of the bolshevik regime, and accordingly represents a different and more advanced type of capitalist production than even the greatest and most advanced countries have to show.

60. The foreign policy of the Soviet Union has been subordinated to the point of view of securing the position of the Bolshevist Party and of the state apparatus which it controls. Economically, the Russian government fought for support of its industrial contruction, which was pushed forward with the greatest exertions. The isolation of Soviet Russia's economy led to a strenuous policy of doing away with the compulsory autarchy while maintaining control of the foreign trade monopoly. Commercial treaties, concessionnaire agreements, as well as extensive credit arrangements, reestablished the bond of Russian state economy with capitalist world production and its markets, into which Russia entered partly as a courted customer and partly as a keen competitor. On the other hand, the policy of economic attachment to world capital compelled the soviet government to cultivate friendly and peaceful relations with the capitalist powers. The principles of a bolshevist world policy, where they were still propagated, were opportunistically subordinated to the bare commercial treaty. The entire foreign policy of the Russian government took on the stamp of a typically capitalist diplomacy and thus, in the international sphere, definitely tore bolshevist theory loose from bolshevist practice.

61. In the center of the foreign propaganda of the Comintern, Bolshevism placed the thesis of "imperialist encircling of the Soviet Union" though such a phrase did not harmonize in the least with the complicated lines of imperialistic conflicts of interests and their continually changing groupings. It attempted to mobilize the international proletariat for its foreign policy and, through a partly parliamentary partly putschist policy on the part of the communist parties, to create unrest in the capitalist states from within and thereby strengthen the diplomatic and economic position of the Soviet Union.

62. The oppositions between the Soviet Union and the imperialist powers led to the ideological counter-propaganda of the Comintern under the slogans: "Menace of War against the U.S.S.R.", "Protect the Soviet Union". In that the workers were presented with these oppositions as the only and determining ones in world policy, they were prevented from gaining an insight into the actual realities of international politics. The adherents of the communist parties became, before everything else, blind and opportunistic defenders of the Soviet Union and were kept in ignorance of the fact that the Soviet Union had long ago become a full-fledged factor in imperialist world politics.

63. The continual cry of alarm about an imminent war by the combined imperialist powers against the U.S.S.R. served in domestic politics for justifying the intensified militarization of labor and the increased pressure on the Russian proletariat. At the same time, however, the Soviet Union had and has the greatest interest in the unconditional avoidance of any military conflict with other States. The existence of the bolshevik government depends internally in large measure on the avoidance of all convulsions in the sphere of foreign politics, both military as well as revolutionary, Therefors the Comintern has in practice, in crying contradiction to its old theory and propaganda, carried on a pplicy of sabotage of all real revolutionary proletarian development and in the communist parties somewhat openly spread the conception that the upbuilding of the Soviet Union must first be secured before the proletarian revolution in Europe can be pressed further. On the other hand, the Russian government has, to be sure, employed strong gestures against imperialist powers for the sake of prestige, but in practice always capitulated to them. The "sale" of the Manchurian railway is an example of the unresisting capitulation of the U.S.S.R. to the imperialist opponent. The overhasty recognition of the Soviet Union by the United States at the same point of time is, conversely, a proof that the imperialist powers, within the bounds of their policy of opposing interests, also know how to give a positive value to the factor represented by the Soviet Union. But especially has the Soviet Union documented its bond with capitalism by arranging and extending particularly close economic relations with Italian fascism and Hitler Germany. The Soviet Union appears as a reliable economic, and hence also political, support of the most reactionary fascist dictatorships in Europe.

64. The policy of unconditional understanding of the U.S.S.R. with capitalist and imperialist States has not only economic grounds. Nor is it merely an expression of military inferiority. The Soviet Union's "peace policy" is, rather, quite decisively guaranteed by the inner situation of Bolshevism. Its existence as an independent state power

depends on its success in maintaining an equilibrium between the dominated working class and the peasantry. In spite of the progress made in industrializing the country, the position of the Russian peasantry is still extremely strong. First, in its hands still rests in large measure, in spite of all repressive policies from above, the decision about the feeding of the country. Secondly, collectivization has strengthened not only the economic, but also the political power of the peasantry which as before is still fighting for private capitalist interests. (For "collectivization" in Russia means a collective union of privately owning peasants with the maintenance of capitalistic methods of accounting and distribution.) In the third place, finally, a war and the mass arming of the peasantry would form the conditions for a renewed and violent peasant revolt against the bolshevist system; just as, on the other hand, a revolution by the European proletariat would also make probable an open rebellion by the Russian workers. On these grounds, the policy of understanding between the Soviet government and the imperialist powers is a life necessity of bolshevist absolutism.

65. The Comintern itself has become a tool for the misuse of the international working class for the opportunist aims of national glorification and the international security policy of the Russian State. It arose, in its extra-Russian parts, from combining the revolutionary cadres of the European proletariat. By utilizing the authority of the bolshevik revolution, the organizational principle and tactic of Bolshevism was forced upon the Comintern with the utmost brutality and without regard for immediate splits. The executive committee (E.C.C.I.) - another tool of the leadership of Russia's governmental bureaucracy - was made the absolute commander of all communist parties and their policy was completely cut loose from the actual revolutionary interests of the international workingclass. Revolutionary phrases and resolutions served as a cloak for the counter-revolutionary policy of the Comintern and its parties, which in their bolshevik manner became as adept in working class betrayal and unrestrained demagogy as the social-democratic parties had been. Just as reformism went down, in the historical sense, on the fusion of its apparatus with capitalism, so the Comintern suffered shipwreck by the connection, through its apparatus, with the capitalist policy of the Soviet Union.

X. - Bolshevism and the International Working Class.

66. Bolshevism, in principle, tactic and organization, is a movement and method of the bourgeois revolution in a preponderantly peasant country. It brought the socialistically oriented proletariat and the capitalistically oriented peasantry to a revolutionary uprising, under the dictatorial leadership of the jacobinical intelligentsia, against the absolutist State, feudalism and the bourgeoisie, for the purpose of smashing feudal-capitalistic absolutism, and, in a great strategy of turning everything to advantage, joined together the opposed proletarian and peasant class-interests with the aid of insight into the class character of the laws of social development.

67. Bolshevism is therefore not only unserviceable as a directive for the revolutionary policy of the international proletariat, but is one of its heaviest and most dangerous impediments. The struggle against the bolshevik ideology, against the bolshevik practices and

hence against all groups seeking to anchor them anew in the proletariat is one of the first tasks in the struggle for the revolutionary reorientation of the working class. Proletarian policy can be developed only from the proletarian class ground and with the methods and organizational forms adapted thereto.

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nomination in 1912, stumping for him afterwards during the successful election campaign. As a reward, Wilson appointed him Assistant Secretary of the Navy. Roosevelt spent seven years in this position.Several months ago, the Administration publicity agencies made much of the State department's order removing the U.S.Marines who had been stationed in San Domingo (Haiti). They discreetly neglected to mention that it was this same Franklin D. Roosevelt who sent them there in 1913 in his first official act as Assistant Secretary ostensibly to protect American lives, actually to protect American investments, Astor interests among others! During the summer and fall of 1915,our peace-loving Asst. Secretary of the Navy began preparing the Navy for eventual participation in the World War, two years before our actual entry! In addition, he developed a gift for oratory and began to advocate publicly for a much larger Navy. This missionary work was largely instrumental in causing President Wilson to sponsor the largest Navy appropriation bill up to that time. Passed in 1916, it provided an appropriation of $320,000,000 for naval expansion.

After America was propagandized into the war, thanks to paid Allied propaganda plus the help tendered by American financial interests, (J.P.Morgan & Co.) and young jingoists of the Roosevelt type, our hero proved himself quite capable. Roosevelt invented the "Macy Board" the first governmental war labor board, which coordinated wages in every part of the country. The National War Labor Board developed from this. This latter Board showed its regard for Labor by forbidding all strikes for the termination of the war. Roosevelt also served as representative of the Navy on the War Labor Policies Board, charged with working out labor policies. In his capacity as Navy labor expert, Roosevelt helped "arbitrate" labor disputes pertaining to the Navy construction yards. This work brought him into contact with various American Federation of Labor officials, who all displayed great patriotism and extreme reasonableness in their dealings.

The greatest of these patriots and the most reasonable in his demands was the vice-president of the International Association of Machinists. Roosevelt never forgot the favors he received from this official, and so when the C.C.C. was instituted last year, at its head was placed this sterling patriot, Robert Fechner.

After helping to win the war to "make the World Safe for Democracy", Roosevelt returned to civilian life, resuming his law practice. At Alfred E. Smith's behest, he reentered politics, gaining the governorship of New York in 1928, and again in '30. During this period, the Governor discovered he possessed a remarkable radio voice, for a politician. From such humble beginnings sprang that great American Institution: Intimate Fireside Chats With The President (through the courtesy of both broadcasting systems).

His administration as governor, in spite of press-agency to the contrary, shows no benefits for labor. The legislation to which Roosevelt points with greatest pride as a boon to labor, The New York State Old Age Pension Act, doesn't benefit labor at all. Not only must applicants be 70 years or over, (surely no help to most workers who never reach 60, let alone 70 because of modern working conditions but the proceedure is so loaded with red-tape that really needy individuals without money for legal aid can hardly hope to secure its meagre benefits.

Roosevelt is not the only member of his family with extensive railroad holdings. His first cousin on his mother's side, Lyman Delano, is today Chairman of the board of directors of the Atlantic Coast Line R.R.Co., the Louisville & Nashville, and has an interest in many others. Other relatives are J.J.Pelley, recently resigned president of the New York, New Haven & Hartford R.R., and a shareholder in others; and Mr. Curry of the Union Pacific. Roosevelt's three most intimate friends are likewise industrialists with huge railroad holdings. The aforementioned Vincent Astor, besides extensive interests in industry and ocean transportation, is a director of the Great Northern Ry.Co., and the Illinois Central. Wm.A.Harriman, heir of the old railroad king, is a director of both the Illinois Central and the Union Pacific. Wm.K.Vanderbilt holds directorates in the New York Central, the Michigan Central, and other railroads. Besides these relatives and close friends, all who supported Roosevelt's presidential campaign with substantial financial contributions, almost every other railroad mogul in the country likewise backed him: Robert Goelet, Arthur C. James, Edward S. Harkness, C.S.McCain, David Bruce, Howard Bruce, Wm.T.Kemper, and F.H.Rawson. The railroad group behind Roosevelt numbered almost everyone but, significantly enough, the representatives of the roads controlled by the J.P.Morgan financail interests.

The railroads had indeed taken the worst beating of any capitalist group during the period of the crisis, and certainly needed help.For example, in 1932, 150 selected railroads showed a deficit of $150,634,00 compared to earnings of $896,807,000 in 1929. The railroad equipment industry led by Wm.Woodin also marshalled behind Roosevelt.

Another section of industry that rallied behind Franklin D., was the mining, particularly the precious metals - gold and silver - group. Most prominent here were the Guggenheim and Bernard M.Baruch interests, exerting a virtual monopoly on silver through control of the American Smelting & Refining Co., which either extracts or refines for others almost one-half of the world silver produced yearly. Included with these is also Wm.R.Hearst, newspaper publisher,large Mexican silver mine owner and shareholder in the Homestake Gold Mining Co.This group in advocating gold devaluation and greater use of silver for monetary purposes enlisted the large farmers' vote who demanded that farm product prices be raised through monetary legislation.

A political party that promised to raise farmer purchasing power, (fallen in 1932 to almost one-half that of 1929) was bound to gain the support of industrial interests dependent on the farmer; and so we find the McCormicks, owning the monopolistic International Harvester Co., and other farm implement and fertilizer manufacturers joining the Roosevelt band-wagon.

Minor industrial interests included the liquor concerns who wanted repeal of the Prohibition Amendment, and construction industry moguls such as C.R.Crane of Crane Co., Jesse H. Jones (R.F.C. head) and J.T. Jones of the Jones Lumber Co., etc.

Behind both political parties was also a grim struggle between two factions for control of the giant Chase National Bank. Backing the Republican Hoover were his 1928 mentors, the House of Morgan. Opposing

J.P.Morgan was this other group of stockholders headed by John Rocke feller, Jr., and including Vincent Astor, the Vanderbilts and Guggen heims. The fight centered about the policy of J.P.Morgan, who controlled the bank, in forcing the Chase National to engage in practices outside its own legitimate field, such as lending money for speculative purposes, the floating of new stock and bond issues, and buying and selling on the stock market. Rockefeller, Jr., and his allie who are primarily industrialists, violently disapproved of this policy blaming it in great part for the stock market crash of '29.They not only wanted to gain control of the bank and return it to its nor mal commercial banking practice, which is to provide funds to industry and business for meeting current expenses, on good security, but they wanted control of the fedæral government in order to enact federal legislation against the Morgan policy which had become widespread under the influence and example of the Chase Natinnal. The Lehman Bros. (among which is Gov. H.H.Lehman of N.Y.) the country's second largest firm of investment bankers, and other investment houses such as Halsey Stuart, supported this attempt to legalize against their competitors.

Roosevelt was no sooner inaugurated than he commenced to remember the "forgotten men". First on the list, of course, were the Rockefellers, So on March 15, 1933, J.P.Morgan was summoned before the Senate Banking Investigation. His revelations and those of Albert H. Wiggin, the nominal head of the Chase National appointed by Morgan, were so damaging that Wiggin was forced to resign and the Rockefellers gained the balance of voting power, enabling them to elect their own man Winthrop W. Aldrich to the Chairmanship of the Board of the Chase National Bank. When Aldrich appeared before the Banking Investigation, he announced that the Chase National would divorce its Chase Securities Corp. He argued for a complete divorce of the securities business and commercial deposit banking. This suggestion was embodied in the Glass-Steagell Banking Act (June 16, 1933) ordering all commercial banks to be separated from their securities business within twelve months. Restrictions were also placed against loans for speculative purposes.

The devaluation of the gold dollar, followed later by the nationalization of silver, enriched immediately the gold and silver producers. This monetary policy plus crop curtailment as practiced by the A.A.A. has increased farm prices to some degree. The Administration, however, overlooked the obvious fact that higher food prices raise the cost of living for the worker, which is directly opposed to the interests of the industrialist who desires low production costs.

The N.R.A. whose first form was suggested by Bernard M. Baruch as the result of his war-time experience as Chairman of the War Industries Board, was administered by Hugh Johnson (a former employe and disciple of Baruch's) in such fashion as to allow the natural tendency toward monopoly inherent in capitalism to develop unrestrictedly. Codes were drawn by the largest industrialists in each industry and naturally they were drawn in <u>their own</u> interests. Minimum wages and hours served to eliminate the small competitors who were only able to stay in the race by paying unbelievably low wages and working long hours. Governmental restriction, therefore, helped to liquidate these small fry and fostered monopoly. Since anti-trust restrictions have been set aside during the course of N.R.A., it is evident that this phase will be continued.

In the effort to help those other "forgotten men", the backbone of his political support, the railroad and addiliated interests (including himself) the President has been forced to adopt a cautious and slow policy. Because they are subject to federal regulation, the railroads present a delicate problem. Rates cannot be arbitrarily raised without consent of the Interstate Commerce Commission. Competition at the hands of the bus, waterway and the aeroplane has caused a great drop in railroad traffic. For example: volume of freight traffic today is only 60% that of 1929; passenger traffic today is only 50% of 1929 and 33% of 1920. A coordinator of railroads was established after Roosevelt took office. His job has been to develop a plan to reestablish the roads. His plans call for greater consolidation among the various competing roads which would eliminate competition between them -- one of the requirements of the I.C.C. In addition, it has been suggested that the I.C.C. be reorganized with separate divisions for railroads, motor lines, air lines and other carriers in a coordinated system of government regulation. If these plans are carried through, and they should considering Roosevelt's hold on Congress today, them the railroads will become more of a monopoly than ever, and rival forms of transportation will suffer. The government will also be forced to subsidize the railroads in order to modernize them. Private capital could hardly finance the costs involved today.

Having secured most of its real objects, or about to secure them, the "New Deal" can now afford to drop its mask of "radicalism". Overtures have been made to big business assuring it that the administration is inherently devoted to preserving the profit system. Because of Labor's growing militancy and its refusal to obey and accept docilely the traditional trade-union leadership of the A.F. of L., in the face of ever-growing misery, a change in the governmental labor policy may be expected shortly. In return for some sop, such as unemployment insurance of a kind, labor will be made to give up its right to strike. Once the strike is outlawed, is made illegal, wage cuts will become the rule. Of course, Labor will be asked to accept these cuts only "temporarily until business revives! "

Our only conclusion is that Labor only by completely changing the social and economic system can really and truly give itself a New Deal for all time.

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* *

To those who have written in asking for additional copies of the first issue of Council Correspondence, we are sorry to say that this issue is entirely sold out. We hope to get out the feature article, "What is Communism" in pamphlet form sometime in the near future, and when we do we will notify the workers who have sent in these requests. We still have a few copies of the November issue.

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On the program of the National Association of Manufacturers.

CAPITALISM AND PLANNING.

THE NEW PROGRAM OF THE "AMERICAN WORKERS PARTY".
By KARL KORSCH

JANUARY, 1935 --- No .4

UNITED WORKERS' PARTY

INTERNATIONAL COUNCIL CORRESPONDENCE

JAN 1935 No. 4

THE BABBITTS HAVE A PROGRAM

On The Program of the National Association of Manufacturers.

The spirit of Hoover, Babbitt & Company lives on, very much unimpaired. The Roosevelt Revolution came, passed over it, and finally spent itself in the vaporings characteristic of predepression Cal at his best. The manufacturers, industrialists or whatever one chooses to call them (but the word "capitalists" is taboo) have taken heart, emerged from their cellars and come forward with a "Proposed Platform for Recovery" which we understand was adopted at their annual convention at the Waldorf-Astoria, Dec. 5 and 6. Or if it wasn't adopted, that was a mere oversight due to the fact that the delegates no doubt had a number of more important things to think about, as, for example, the best way to spend the evening.

And if you don't believe that this Platform is a gem, just read the first page introduction by Mr.C.L.Bardo, president, and be convinced. Here we are informed specifically that the worthy Babbitts are intent on "giving their best thought and unity towards business recovery" and that "at this particularly crucial time" the "elements of recovery" are merely awaiting "the materializing effect of stabilizing policies". Which at any rate seems to prove that the lords of American capital are learning to use bigger words; perhaps they will actually be reading before long -- if only the signs of the times. In fact, even the present program contains an occasional note of alarm regarding radical criticism, and a hint at fascist repression. We are warned for example, to "stop poisoning the wells of public opinion" (as if that were not another capitalist monopoly); and the Committee (of future relations of government to industry) "urges a check upon those utterances that rashly assail the general integrity and competence of our industrial leadership or assert the failure of our economic system". But even at the risk of injecting a little more poison into those wells, we wish to take up the various proposals of the Platform in order and in some detail.

The first proposal, "subject to ratification by industry", deals in a general way with "The Road to Recovery". The keynote here is that "recovery must be ranked first among all relief measures" or "recovery and re-employment must not be subordinated to reform". And how is re-

covery to be brought about? After all the talk covering three large pages, it all boils down to the old cliche of "confidence" and the removal of "impediments in the road to recovery". In other words, the Roosevelt program of action having failed, and capitalism having proved that it is not amenable to reform, back to the do-nothingism of the Great Engineer. The Committee is evidently not altogether unaware of the weakness of its position, and accordingly devotes a couple of paragraphs here to pointing with pride to past accomplishments under the American Constitution and to uttering a warning against some unmentionable malefactors by whom "our people are now being told that our difficulties are due to the breakdown of an outworn economic system". However, "out of experience in the daily conduct of our business", the enlightened economists go on to be more specific.

Here we come to the real "Platform for Recovery" which in its extra-large type covers five pages and deals with six different subjects: 1 - National Economic Planning and Public Administration; 2 - Public Finance; 3 - Money, Banking and Private Credit; 4 - Government Competition; 5 - Employment Relations and Industrial Disputes; 6 - Social Security. The whole thing is quite as hidebound in its conservatism and as barren of any idea that would even so much as tend to promote recovery as an editorial by William Randolph Hearst, or a Republican Party platform written, say, by Herbert Hoover. How any set of men with even normal intelligence could seriously put forth such stuff as worthy of consideration in this sixth year of the "depression" is rather a mystery and can perhaps be most satisfactorily explained by the unconscionable demagogy of the bourgeoisie throughout the world. They seem to feel that the radical arguments have to be countered in some manner or other, and that nonsense is better than nothing.

But here are the dreary examples. Economic planning is, of course, rejected, on the long-hackneyed and purely ideological ground that it tends to regimentation, and that "no group of men is wise enough to plan and control the operations of all our manifold business activities"; though this latter statement does at least contain an implied admission that capitalism itself precludes planning, and is perhaps for that reason worthy of being called to the attention of all liberal

On the question of public finance, the great aim is, of course, to balance the Federal budget -- and how? Merely by the "adoption of policies which will stimulate business, restore employment, increase national income and permit cutting public expenses to fit reasonable taxes". Here, however, the Babbitts are at their best; they make some concrete proposals which might possibly prove somewhat effective -- mostly at the expense of the workers and others whose budgets (if any) are rarely or never balanced. These include rejecting payment of the soldiers' bonus until due, federal appropriations for constitutional purposes only (whatever that means) and "an equitable non-cumulative manufacturers' sales tax" to take the place of "existing state sales taxes and present selective Federal sales and 'nuisance' taxes".

Government competition is, of course, a very touchy point with these gentry, and their phraseology on the subject becomes quite ludicrous in its unguarded rage. Thus we are told to "abandon all forms of

government competition which as examples threaten industry, thwart private initiative and retard recovery" (italics ours), and again: "Stop government competition which converts the taxpayer's money into an instrument for his destruction" (!). Demagogy here turns upon and devours itself.

The section on employment relations and industrial disputes is equally rich in what it tries to conceal, though more carefully worded. It contains in miniature the complete open-shop and no-strike philosophy dear to the hearts of all industrialists. They are very solicitous, of course, about strike-breakers (what they call "protecting men in their right to work"), they want the government to prohibit sympathetic or general strikes, they would "refrain from policies which attempt to force men into labor organizations", and above all, they would not "deprive individuals and minorities of their right to bargain for themselves", - nor, no doubt, of their right to starve. And while "management recognizes that the productivity of the worker should be fairly and even liberally reflected in his compensation", still, of course, "labor cannot share what is not produced". We wonder, however, if Labor might not reasonably ask why it is not produced. Would the self-solicitous capitalists be good enough to explain that, or would such an explanation belong among those rash utterances which must be checked? Or would it simply be to "ignore economic" (i.e.capitalistic) "possibilities"?

The question of "social security" is taken up in more detail in a special proposal farther on in the Platform. It contains nothing of any particular interest, or at least nothing particularly new or unexpected, except perhaps the apparent effrontery of the first sentence which reads: "Both prevention and relief of unemployment are social problems in which management, employees and all other social groups must accept their full share of responsibility". We say "apparent" because it is quite possible that here the industrialists were thinking of the responsibility of these employees and other groups for permitting capitalism to keep on vegetating. In fact, we read on the previous page of the Program about "the normal and orderly method through which a free people in its own interest authorizes its (!) private enterprises to demonstrate by voluntary action their capacity for self-organization, and self-control and self-enforcement of that control in the light of their experiences". (Very obliging of a free people, to be sure!) Otherwise, the "relief principles" of the industrialists are, as we said, very much what was to be expected in view of the origin. There is the usual talk about "relief so extravagant that it undermines the morale of those who receive it", and the usual concern with having wage rates for work performed on work relief lower than current wage rates in private employment, and the fear that taxpayers' money might be used in such a way as to encourage or incite strikes. Finally, it is suggested that "the amount provided for relief should be based on actual individual and family needs and not permitted to become a matter of legal right", and the C.C.C. is commended as an "example of successful relief work combined with citizenship training".

The report of the Committee on the Future Relations of Government to Industry is perhaps the most interesting part of the Program, since it reveals the direction in which the industrials think they are headed--mostly backward. Of course the Committee "expresses its faith

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in the tested fundamentals of our political and economic system" and "recognizes as an essential task of statesmanship the continuing adaptation of these principles to the problems peculiar to modern life without compromise or surrender of the basic truths which they contain. It assumes that the powers contained in the National Industrial Recovery Act rest upon the assertion of emergency authority and that "it is obvious the emergency will pass". It looks forward to the "expiry date" of the N.R.A. (June 16,1935) with considerable relief, whereupon it trusts that its own plan "would provide a means of securing, with a minimum of executive enforcement, the free and effective cooperation of Industry and Government". This plan consists essentially in the enactment by Congress of a Fair Trade Practice Act which would differ from the N.R.A. primarily in the fact that the adoption of codes of fair practice would be voluntary on the part of the different industries and subject to approval or disapproval by an administrative court. In fact, the plan would go still farther in the freedom granted to industry, in that "an approved code should likewise place upon the industry the primary obligation of policing enforcement".

The Program ends with a panegyric to the achievements of American industry,--a panegyric which turns out to be a rather lame apologetic. The good industrialists display a real concern about the future of "this great financial, industrial and humanity-serving structure" which to "destroy through prejudice or lack of understanding would be to burn down the house in order to punish some rat". But the last sentence reveals a chastened and (to the initiated) hopeless outlook which belies all the brave words that went before, as if they had faintly realized that capitalism still drags on merely by inertia and strength of tradition. The best that they can gather up heart to say is that "once artificial obstacles are removed, and confidence restored, industry will do its full part toward recovery".

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*** C A P I T A L I S M AND P L A N N I N G. ***

I.

The literature dealing with the problems of a planned economy has attained proportions comparable only with those of the crisis which brought it forth. In all this welter of thought, we may distinguish three main currents: one which stands for the possibility of capitalist planning, another which denies it on principle, and a third which hovers between these extremes and finds its champions both in the bourgeois and 'socialist' camps. While the first group sees in the planning tendencies a vague intimation of an harmonious capitalism, the latter hopes for a gradual and peaceful transformation of the present economic system into a thoroughly socialist one.

Though liberalism is, politically, the ideological reflexion of the laissez-faire principle of 'classic' capitalism, still the different theories of planned economy stem in the main from liberalistic circles. This only means, of course, that the end of liberalism is necessarily bound up with that of laissez-faire; we are here presented merely with political adaptions of accomplished transformations in the economic structure. In view of the concrete situation of crisis, the surviving representatives of the laissez-faire principle have a hard time defending their theoretical postulates against the planners. It becomes increasingly implausible that the market mechanism, of itself, can overcome the present difficulties. And even if it could, there still remains open the no less important question of whether society shall submit supinely to the brutal healing process in which the market produces its regulating effects or whether it shall not rather take a conscious part in this process. In a word: is it not better to regulate the market than to resign oneself to its control?

In spite of the liveliness of the discussion on the part of the laissez-faires, the fact no less remains that they are historically superseded, for their basis in 'classic' competitive capitalism is drawn from under them. The enterprises bound up with free competition fall easy victims to the monopolistic forces in which the process of capital concentration still expresses itself. The resistance offered by these groups to all planning experiments is accordingly not a struggle against any 'socialistic' tendencies of the various governments but the last despairing efforts of weaker capitalist groups against the monopolistic competition by which they are being destroyed; and so, in their agitation, they had to take flight from reality into a mystic fatalism; for monopoly capitalism has undeniably grown out of free competitive capitalism, and thus the representatives of the latter cannot attack the first without at the same time striking themselves. The same competitive capitalism which in its heyday never tired of talking about its determining and forming mission in world affairs is today endeavoring to relegate to the realm of fancy any possibility of conscious regulation of the economic life. Its champions, ideologically bound to commodity production, see in their own end the downfall of society itself and raise their warning voices with the assertion that no advance is possible except through complete planlessness. However much support they may find for such a position in the past, it remains clear that the future is not destined to follow the pattern of the past but immediately that of the present; and for that reason

their cry of protest can inspire no more terror or restraint than, sa that of the hogs in the slaughterhouse prior to having their throats cut. Rather as the English champion of planned economy, Blackett, writes: "The idea of planning has passed rapidly beyond the stage of being suspect for its communist connotations and has become perfectly respectable.

II

The champions of capitalist planned economy have the present on their side. Their darts directed against laissez-faire principle strike home, even though they are fired with closed eyes. Of course, the Marxists as well as a number of the bourgeois economists - on different premises, to be sure - reject the possibility of a partial planning, asserting that such a thing is a self-contradiction and that a planned economy necessarily involves the meaningful and harmonious interconnection of <u>all</u> processes in <u>all</u> economic and social spheres, to which end the most consistent centralization of economic direction is indispensable. But such a position, however correct it may be, stil fails to meet the objection that a partial planning in certain circumstances is capable of suppressing some of the economic friction, of overcoming a number of minor difficulties and thus of creating new situations which in their turn can exert a more or less favorable influence upon the economic process. If this is the case, one has a perfect right to speak, if he likes, of "partial planning", and any criticism would practically only be tilting against the terminology which makes this piecemeal planning synonymous with planned economy itself.

Every planned economy has its planless aspects, and every planless economy has also its regulated moments. In the classic capitalism of free competition there were monopolies, and in monopoly capitalism there is competition, even though of a more limited sort. From general competition arose that of the monopolies among each other, which amounts to saying that competition has on the one hand waned as regards complexity in order to wax in other forms as regards intensity. However much the classic capitalism may be differentiated from the monopolistic, still the one cannot be set over against the other: monopoly capitalism is the old-age manifestation of laissez-faire, and its planned-economy phraseology is only the makeup which conceals decay.

If we identify the results of monopolization, or of the capitalist process of centralization and concentration, with the experiments in planned economy, we get away from the idle and purely conceptual dispute as to whether the planning shall, can or must be carried out completely or half way, at once or gradually. Also the question as to where the planning will lead loses all significance, so that only the question of principle remains open: whether planned economy and capitalism are at all susceptible of being combined. We might state in advance that a negative answer to this question does not lend support to the opponents of capitalist planned economy but that such an answer is at the same time an approval of planned economy, though only after the overcoming of the capitalist system of production.

III

The major part of the theories of planning hitherto devised can be appraised only as literature, since their authors have refrained from touching upon the laws by which capitalist relations are governed. Their starting point was always discontent with existing conditions. They noted, as anyone may readily do, what was ably set forth by Hoover's Research Committee on Social Trends: that society's capacity for producing commodities is continually increasing at a more rapid rate than the purchasing power of the population, that the ratio of employment fails to keep step with the improvement of the productive machinery, and that the means of communication between nations change more rapidly than the reorganization of international relations. In brief, the rate of growth of the social forces of production is such and the forms assumed by them are such that the social relations can not be adapted to these forms but are breaking them down. The natural conclusion, namely, that these backward relations must be swept aside, never occurs to the theoreticians of planning and cannot occur to them, since they are theoreticians of planning only within the existing social relations. So they try to turn history backward and to arrest this painful growth of the social capacities, after the manner of those lovely Japanese ladies who bandage their feet in order to keep them dainty. In both cases, the actual result is simply maiming. To the economic planners, it is a question of diminishing the productive capacity and at the same time of increasing the purchasing power. In the course of this two-fold process a time must come when the disproportion now existing between the two will be eliminated and the way prepared for a harmonious interplay. In this connection there is no attempt to blink the fact that such an end requires the utmost centralization of political and economic power, and the theoreticians hold as a presupposition of all planning what has been emphasized in the words of Sir Arthur Salter, one of the most vital of English theoreticians: "The congregation of individual wills must be still further controlled by the exercise of the public will, accelerating or smoothing the readjustment or preventing the circumstances themselves from changing so violently".

Whatever pains the theoreticians may take to work out their theses down to the least detail, all these pretty games will be very much wasted so far as capitalism itself is concerned. To the capitalists, the problem of planning is a quite one-sided and practical matter, namely, the conversion and adaption of their productive apparatus and of their business to the automatically contracting relations of the market and to the changes within the economic structure--as brought about through monopolization, cartellization and trustification--in order to win for themselves as much as possible of the social profit. What actual "planning" takes place would take place even without decisive modifications--even if the various brain trusts did not exist--and precisely upon the prescribed basis of the natural market tendencies under "monopolistic laissez-faire". The "planning" does not change the social mechanism, but this mechanism functions today in a manner which falls in with the theories of the planners. It expanded the productivity of society in order then, on the ground of this expansion, to contract it. This capitalistic sabotage is not determined by any plans whatsoever,--the plans merely make it known,--but by the planlessness of the existing economic system. Capitalist planned economy is therefore nothing more than planned planlessness, or more

simply stated--nonsense. With the acceptance of the present economic system as the only one for all time there can, of course, be no insight into the fact that any planning within it can only be a fanciful one; the present economic system really permits no genuine economy at all, but only one which is hazed over with the fetishism of commodities. To talk of planning from the standpoint of commodity production is just as interesting as to hear a blind man lecture on van Gogh. The planner cannot see with his own eyes, but only by way of an outside agent by which he is determined. But this outside agent, commodity fetishism, stands economy on its head. The manner in which bourgeois economy thinks had already been characterized by Marx: "To be a good-looking man is a product of circumstances, but to be able to read and write is a natural gift."

IV

The shares of the individual capitalist enterprises in the total social profit being dependent on the magnitude of the capitals involved, so that their owners are compelled to keep on increasing their capital in order to maintain themselves as capitalists when profits are diminishing in virtue of the development of the social forces of production since they must strive to attain the average social productivity in order to maintain the necessary average profit--it follows that the hindering of the growth of the small capitals means eventually their destruction. These capitalists are well aware of the fact that control of production means their elimination in the interest of larger aggregations; that the combining process which goes on automatically even during the crisis, by way of bankruptcies, is now to be further promoted by political means, through the planned-economy demagogy; that "freeze the status quo" is in reality the planful destruction of small capitals in order to prolong the life of the larger ones, whose only remaining means of subsistence is death. The thing which to some, (e.g. Professor Moley) is a new humanitarian adjustment in the economic and political spheres is to the others a downright selfish policy of strangulation, and these latter are justified in appealing to the laws of nature, which do not admit of a "status quo"; and while their downfall is a proof of the correctness of this conception, yet in the capitalist sense--as shown, for example, by the perfectly natural manner in which crises occur--natural laws operate only by way of eruptions. Although the stagnating tendencies are doomed to remain no more than tendencies, still, so long as they work, they will accomplish their task, and the fate of many outsiders will be absolutely and forever settled through the "unnatural status quo" of monopoly.

No longer, as formerly, does the number of individual capitals increase with the growth of the total social capital; rather, as capitalist development proceeds, that number continually diminishes. We are going back, even though with many modifications, to conditions like those which existed in the beginnings of capitalist society, when there was little distinction between expropriation and accumulation. The reason is that at the end of capitalist society, as at its beginning, the thirst for profit and the compulsion to reap it are greater than during its time of vigor. The primitiveness and unscrupulousness of childhood repeats itself in old age, though with more finesse. The beneficiaries of the capitalist system grow fewer and fewer, so that the struggle for shares of the social profit must grow sharper. While

on the one hand there are increasingly greater possibilities for the conscious regulation of the economic life, they are more and more excluded by the property relations. What passes itself off as planned economy, that is, as a conscious taking in hand of the social process of life, is in reality the sharpening of the struggle of all against all.

So long as society is bound to commodity production, it is only thru the market that its needs can be satisfied. Where the social connection of the individual functions of mutually independent private producers is delayed in its realization, without regard to society, until the goods reach the market, any limitation imposed upon the freedom of marketing is a limitation upon the individual entrepreneurs themselves and can only lead to sharpening their oppositions. Limitation of production, which can only be brought about by way of the market, has the same effect. Even if the idea of a capitalist planned economy need not be completely rejected, it can be assigned no more than a limited validity. It is only under conditions in which a certain group of interests succeeds in completely dominating all the rest of society, that the idea could be justified in a conditional sense. Yet the unavoidable social convulsions arising under such conditions are probably enough again to exclude the speculation; quite apart from the still weightier factor that under such conditions, with the retention of capital production, its liability to crisis is still not done away with, for that liability is only modified by the market and has its final basis in capital accumulation itself. Capitalist society necessarily presupposes exchange. Even if the impossible should be accomplished, namely, the embracing of all capitals in a giant cartel, this latter, as the buyer of labor power, would still stand over against the workers with only their labor power to sell, so that production, and hence also distribution, would necessarily continue to be antagonistic. Thus we have already at hand the germ of crisis and collapse, even under such conditions. Even here a genuine planned economy would be excluded, since the contradiction which is present in the distribution of the conditions of production cannot be abolished without struggle and without changes in the social form. From this standpoint, it is impossible to see in the current planned-economy tendencies more than a new conceptual formulation of the legitimate course of the monopolistic movement of capitalism in its period of decline. That in this development we have at the same time the preparation of the material foundations for a genuine socialist planning, goes without saying.

V

The endeavor to stabilize present capital investments at their present level, under the pretext of planned economy, is but an expression of the fact that at a high level of capitalist development further technical progress no longer, as before, increases profits but diminishes them. Though the continuance of monopolization cannot be halted, this process is at the same time the destruction of capitalist sources of existence, in that it eliminates more and more such things as capital devaluations, taking practical expression in mass bankruptcies, and by which the load of the crisis is lightened. The opening up of the world to capitalist enterprise, while becoming more necessary to capitalism, becomes at the same time more difficult by reason of the expansion already attained, since here it is not the geographical limits but those of accumulation which are decisive. The more imperative the

imperialistic conflicts become, the more dubious also their results. In short, the restriction of the productive forces is at the same time their development and this development at the same time their restriction. This two-fold movement has brought the capitalist economy to a standstill which can only be overcome through the overcoming of capitalism.

It is only to one who has never delved beneath the surface of capitalist phenomena that this contradictory movement appears to arise from the disproportion between production and consumption. Though it cannot be denied that such a disproportion exists, it is bound up with the material character of production and consumption, a character which in the capitalist world, however, has validity only for the individuals and not for the social movement. If a communist society, or if a single individual in looking on piled-up stocks of food, were to go hungry, that is, if both were crazy, in that case one might speak of a disproportion between production and consumption. But the commodities under capitalism, regarded as use articles in their material form, play in the social sense no part. So that when one speaks of the spread between production and purchasing power, one must first know what all the theoreticians of planning completely neglect, namely, what capitalist purchasing power is. Human consumption capacity and capitalist purchasing power are fundamentally different things. The senselessness of destroying commodities, e.g. from the standpoint of natural consumption, is very 'sensible' from the standpoint of capitalist purchasing power, and any one who gets excited about this capitalist 'insanity' and wants to abolish it under capitalism simply fails to understand that insanity is the prime motive of this society and consequently is not insanity. The natural necessities of a certain proportionality between production and consumption assert themselves violently in the end against such inverted social conditions and form the content of revolutionary history.

Present-day society does not even concern itself with determining the consumption capacity or needs of society, in order to make a corresponding adjustment of production. It leaves this to the individuals, while the only social concern is the market on which the purchasing power depends. Since the market forces the capitalists to individual accumulation, the only decisive factor in determining capitalist purchasing power is the necessities and possibilities of accumulation. Capital itself is the greatest consumer and forms its own market. To speak of lack of purchasing power merely means that capital is making no use of its purchasing power, and we have to inquire about the reason for this fact. Since profit is the motive of capitalist production, it must also furnish the explanation for this abstention. With this question, we come up against the laws of capitalist movement. These laws are wisely neglected by the theoreticians of planning, and hence their theories cannot be taken seriously.

VI

Capital which fails to increase must of necessity some day cease to be capital. The development of the social forces of production can be either restricted or promoted by the social relations, but restricted only temporarily. Eventually, human advance asserts itself in all social forms, since the productive forces, once aroused, are endowed with self-movement and take on ever new and more complicated patterns

This process, which underlies all social and historical forms, assumes the capitalistic garb of the need for accumulation of capital. The laws of this necessity retain their autonomous power even when they have ceased to serve human progress. The resulting conflict forces th revolutionary solution.

Since accumulation is in practice the continual growth of the appara tus of production and of its productive capacity, its progressive expansion devours a greater and greater part of the newly produced social product, or, capitalistically expressed, of the newly won capital The same process cheapens labor and changes the proportions in which the capital is divided. General human advance which consists in the possibility of setting in motion more and more means of production with less and less labor, and hence of turning out greater and greate: quantities of products, expresses itself capitalistically in a more rapid growth of the capital invested in means of production and raw materials than of that invested in wages. This fact is evident at once from a comparison of the capital composition of fifty years ago with that of today. Capitalist profit is, however, computed on the total capital, though since in the final analysis it is nothing but unpaid labor it varies only with the magnitude of the wage capital. The contradiction between appropriated labor as the basis of profit and the magnitude of the organic composition of capital (means of production and labor power) leads, with the further development of accumulation, to the fall ofthe rate of profit and, at a high stage of accumulation, to the actual decline of the mass of profit. In a word: a greater social capital produces a smaller social profit. This contradictory movement, which here can merely be indicated, must lead to a situation in which the diminished profits not only take away the incentive to further accumulation, since such accumulation would diminish instead of promote profitability, but in which accumulation becomes quite impossible. Absolutely, the profit acquired may be greater than before, and yet be too small relatively to the demands of further accumulation.

The capitalist crisis is but an expression of the fact that further accumulation is capitalistically not worth while or is impossible. The capitalists make no use of their purchasing power, since it doesn't pay them to do so or because accumulation consumes more than is at hand for its purposes. Practically, there then takes place what the theoreticians want to 'plan': the productive apparatus will no longer be expanded to correspond with the hitherto prevailing tempo of accumulation. Of course, profits continue to be made, but those parts set aside for new investments fail to reach their destination, for however great they may be, they are too small with respect to the demand of accumulation. They lie idle and one gets the impression that too much capital is present though in reality this superfluity is a deficiency of capital: an excess of capital arises from a lack of capital. However paradoxical this may sound, scientific truths always appear paradoxical to that "common sense" which never gets beyond appearances.

On this basis it becomes clear that the overproduction of commodities is to be regarded merely as a result and not as a cause of the crisis Even though accumulation is not continued and the productive apparatu is not expanded in the necessary proportion, still at first production goes on at the previous level. Since, however, there is essentially no new capital invested, so also its material embodiments, the means of

production and raw materials, remain unused in their commodity form. Thereupon, production is diminished or quite suspended, workers discharged. The consumption industries also are dragged into the crisis, which soon seizes upon all the social domains. With this, the competitive struggle of the capitalists among each other grows sharper, an this leads to great price drops, bankruptcies and the general predicament.

From this point of view, we see also the factors which may serve in overcoming the crisis. The crisis can be done away with only through the continuous of accumulation. Capitalist purchasing power must be strengthened. Capitalist economists stare in perplexity at the 'riddi of the crisis. If they draw the favorite parallels with the past, they say that 'scarcity' was responsible for economic complicatiäns in all pre-capitalist forms of economy, though in view of the productive capacity, this factor offers no explanation for the present difficulties In other words, these economists are looking upon the capitalist world in a manner in which it can not be looked upon; that is, as a world which serves to supply the needs of human beings. This crisis too has its basis in 'scarcity'; scarcity, however, not of use artiel but of capital, and this scarcity must be overcome if the depression is to be weathered. Profitabilitymust be reestablished on the basis of continued accumulation. Since, however, profits do not fall from heaven, but are the result of labor, they can be increased only by raising the expropriable quantity of surplus labor which the workers because of their social position have to perform for the capitalists. In other words: the raising of capitalist purchasing power, which alon has any importance, presupposes lowering the purchasing power of the workers. Overcoming the disproportion between capitalist purchasing power and the need for accumulation is bound up with increasing the disproportion between production and consumption. As a matter of fact all countries, even those engaged with experiments in planned economy, show that the purchasing power of the masses in relation to production is constantly still sinking lower. The statistical material for the United States is at hand: it shows that even after the triumphal march of the NRA, the disproportion between the purchasing power of the masses and the actual production became greater. It was precisely in this way that a rise occurred in capitalist purchasing power and production advanced temporarily; but to denote as planned economy the further impoverishment of the population is after all a bit strong.

At the end of each crisis, capitalism reorganizes itself, after enormous sacrifices, on a new price and value level which enables profitable expansion of the productive apparatus for a further period. However greatly 'logic' may be scandalized, capital really accumulates for the sake of accumulation. If a reorganization is no longer possible, --in view of the fact that the price and value level cannot be shrunk to zero, since a condition in which the workers work for nothing is not possible, --then there is no overcoming of the constantly deepening 'depression' through other than revolutionary channels. "Planned economy", insofar as it contains conscious elements, is the attempt to delay the attainment of this point, and in so doing, even though against its will, it merely drives toward the point more rapidly. It plans against the possibility of a genuine planned economy, and thus merely plans its own downfall.

VII

The various exponents of planned economy are well known. Whatever may be the nature of their particular proposals, they all share with John Dewey the habit of viewing the problem from the side of distribution, even when they speak of production. Various proposals with reference to money, credit, banking, tariff, cartellization, and control of profit are designed to govern the market, and with it, the whole economy according to predetermined plans. The legitimacy of the market, though first rejected, is now to be controlled and again made into the regulator of the social life. However, the market and competition have a meaning only in so long as they work their pernicious effects; if their operations are controlled, they are deprived of their regulating functions and we arrive at the opposite of what we set out to attain. Any market control becomes the privilege of the groups already favored by that market. The individual interests are not governed according to the planning, but this planning can only adapt itself to the existing interests already established as a result of the previous development.

Competition is made responsible for the over-development of the productive apparatus, though it is only this continuing over-development which is the secret of capitalist prosperity and its limitation is nothing but the philosophy of crisis. Competition is to be reduced through the further trustification and cartellization of enterprises, in spite of the fact that this trustification is a result of competition. It may be true that within the production cartels the overproduction of commodities may be hindered (a matter which in the capitalist sense plays no decisive part). Still the cartellization does not hinder competition between the cartels. Nor does it hinder the over-expansion of the productive apparatus; suce over-expansion is facilitated by way of monopoly profits, since each of the cartellized enterprises improves and expands its plants in order to make differential gains and raise its production quota. Capital formation and control can never be attained from a planning station so long as production remains in private hands. The enterprises as well as the individual monopolies can cross the plans of the central bureau in hundreds of ways and, as a matter of fact, it has been shown in practice that ways have been found for getting around the plans as fast as they were made.

So in the face of these numerous contradicitions, the economy planners take refuge in the illusion of a stationary capitalism. However senseless suce a demand may be, it is nevertheless the logical consequence of all capitalist planning, which thereby, though of course ruefully, establishes its impossibility. A stationary capitalism is only another name for the permanent crisis; and even here the term fails to hold water, since any permanent crisis can only lead to collapse and is accordingly not stationary. But it is only with a stationary, i.e. illusionary, capitalism that planning is possible, since any revival promptly throws all planning overboard. If the planners endeavor, nevertheless, to make the impossible possible, and, for example, believe that in spite of technical advances it will be possible to hold on to an accepted price level -- that is, if they fancy that prices can be juggled with like balls -- there is concealed behind these dreams nothing but a total ignorance of the real nature of prices. Technical progress, which changes all values, obviously changes also the prices to be deduced from values; a matter which in view of the decline of prices which has accompanied the whole of capitalist de-

velopment, is hardly worth mentioning. The market may exercise a modi fying influence on the determination of prices, but more decisive tha the market relation is the development of the productive forces which in the first place formed this market as one of their many expression

As a proof of the possibility of capitalist planning, we are often re ferred to the control of economy in countries at war. However, the monopolist economy of war time was only a means to capitalist accumulation, to perpetuating planlessness. A man takes castor oil in order to get well, but it will not occur to him, merely because he can, to live on castor oil exclusively. Yet such mental derangement is actually attributed to capitalism. During the war, the national economy was not subjected to the military necessities, but the military necessities, i.e. the necessities of the strongest capitalist groups interested in the war, subjected all other groups to themselves and forced their will upon them. Here also the technical possibility of planning was not proved, since this economic dictatorship remained tied up with the market mechanism. As a matter of fact, today also we hear complaints that the thing which passes for a beginning at planned economy is in reality only the economic dictatorship of the stronger against the weaker capitalist groups; that through it the poor become poorer and the rich richer.

VIII

Even though individual theoreticians of planning go so far as to raise the demand for a "World Economic Council", most of their theories stop short with autarchy. The national economy is to be made independent of the movements of the world market. For while centralization of economic power within the national boundaries is held possible, there is some doubt of the matter as applied on a world scale. Capitalist society is, however, bound up with international trade, as of course the whole capitalist development is identical with the creation of the world market. From division of labor within the separate nations arose international division of labor, and the latter can no more be gotten away from than the first. It may be objected here that individual countries, such as the United States, are capable of a self-suffising economy by reason of their manifold natural wealth and are to be distinguished from countries less blessed. On this assumption, autarchy would be a special, not a general possibility and in certain circumstances would involve the death of countries which are not in a position to make themselves self-sufficient. Since this latter possibility would not, however, greatly disturb the humanitarian theoreticians of planning, we also are willing to overlook the matter, and nevertheless it must still be noted that the very possibility of autarchy at the same time precludes it as an actuality. The very diversity of the geographic, climatic and cultural conditions of the United States are an obstacle to their unified co-ordination, for this diversity, under capitalist relations, is nothing other than a multiplicity of mutually hostile interests which are not very distinguishable from those of the continent of Europe, even though their forms are different. However small may be the part of foreign trade in statistics, it is nevertheless a question of life and death to whole social groups. However decisive may be the domestic market in time of economic upswing, when over-accumulation sets in the imperialistic compulsion becomes the dominant factor, for the insufficient

profit at home compels to the conquest of additional sources of profit. Even though foreign trade is not at the root of either crises or periods of prosperity, these latter nevertheless develop or shrink the foreign market. Neither this market itself, however, nor the renouncement of it, explains anything. While as regards industry, autarchy is impossible even in "war manufacture", so as regards agriculture, as the best experts bear witness, it is quite out of the question. In agriculture it would involve structural transformations which from the view-point of productivity would not only be chaos but which, in view of the social upheavals which they would bring in their train, are not at all likely to be attempted. It is specialization and division of labor which are here determining, and not the will of the economic planners.

By way of summary, let us repeat: The thing which likes to pass itself off as planned economy is nothing more than the monopolistic form of laissez-faire. Planned economy and capitalism are irreconcilable contradictions; the one excludes the other. If an economy is planned, then it has also ceased to be a capitalist economy.

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of the impending revolutionary change and of having the capacity for the correct carrying through of the revolutionary proletarian class struggle and for the setting up of a free workers' democracy.

Nevertheless, the present draft program does not contain the break with the capitalist social order and all present and future further developments of that order. Even in the economic part of the program there is a striking gap, in that nowhere is there any attempt to come to grips with the concept of planned economy, and much less is the fundamentally capitalist-fascist character of all present day talk and pretense of so-called planned economy decisively pointed out. The draft speaks of "planned economy" only in two places. In the one it is taken for granted that a "planned socialist economy" exists and is making headway in the Soviet Union; and although in the next paragraph there is express mention of the "compromises" forced upon Russia even in the economic sphere and a statement of the impossibility of building a socialist economy in the Soviet Union alone, there is not a word of explanation as to why and to what extent the unlimitedly socialist character of the Russian planned economy accords with these compromises and impossibilities and in what that character consists. In the other passage which reveals a lack of clarity almost reminiscent of the Rooseveltian and Hitlerian "economic planning", we read that the future workers' State issuing from the victorious revolution is destined "to undertake great projects of social reconstruction by the planned economy of the new society". To this unsatisfactory treatment of the concept of planned economy may be added the ambiguous manner in which, immediately thereafter, in the section on "Socialization", there is demanded only the expropriation of all "monopolies" in industry and land". In view of the monopolistic character of all capitalist property, that may, on the one hand, mean complete socialization. On the other hand, many doors remain open for limiting the "socialization" to the so-called monopolies after the manner of the "socialization program" of the German and Austrian Social Democracy from 1918 to 1933, or even according to the still further watered proposals of the new-socialist post-war "socialism" (de Man's "Plan d'action").

Thus in the very incompleteness and ambiguity of the economic demands it becomes manifest that the carrying out of this program might require, instead of the revolutionary attack upon the whole of capital, possibly only one or another partial attack. Likewise the lack of theoretical clarity at the basis of these demands is proved by the form in which (in the last paragraph of the first chapter) "the central contradiction" of the capitalist system and its "solution" are defined:

"The central contradiction is unmistakably clear; it is the contradiction between a productive plant (!) now physically capable of supplying amply all the basic needs of men, of freeing men forever from hunger, want and insecurity, of assuring mankind as a whole thereby full and creative life--between this and a system of social relations that prevents this productive plant from operating effectively, that directs its operations not to the fulfillment of human needs but to the making of profits for private individuals and corporations. Out of this contradiction and the irreooncilable class divisions it creates, flow the many other contradictions that devastate modern society."

What is here proclaimed is not the Marxist and revolutionary basic contradiction between the productive forces and productive relations and (what is strictly identical with this economic contradiction)the historical, social and practical contradiction and struggle between the possessing class (interested in maintaining the present relations of production) and the non-possessing proletarian class (interested in overthrowing the present relations of production), a class which, according to Marx, is "itself the strongest productive force".Rather it is here asserted, after the fashion of Stuart Chase and other modern apostles of capitalist planned economy, that even today, under capitalism itself, a new epoch has set in, in which "scarcity production" could be replaced by "plenty production" if only the present productive apparatus were no longer capitalistically misused but humanly used. As if the capitalist mode of production had not ever been at the same time the production of 'plenty' and the production of 'scarcity' and ever the one only through the medium of the other! As if the root of the capitalistic evil lay, not in production itself and in the capitalistic fettering of the productive forces (i.e. in the capitalistic suppression of the productive forces which could be released through the socialist mode of production and which even now, in the proletarian class struggle, are rebelling against the capitalistic relations of production) but only in an avoidable misdirection of this production, in the misuse of the available productive apparatus and in an improper distribution! The basic contradiction of capitalist society is not between the available productive apparatus and the productive relations. Rather is this whole material productive apparatus (the technical equipment of the industries), this whole enormous apparatus with its capacity which in times of peace, even in boom periods, is no longer completely used and which lies idle during the crisis--this apparatus is nevertheless, if one will only take into consideration also the "normal condition" of war, still today completely adapted to the capitalistic property relations. This adaptedness exists even for the wage workers and for the now rapidly increasing mass of those who are temporarily and chronically unoccupied.

Just as in the capitalistic division of labor the productive workers are assimilated in the most exact manner to their means of production, the "part-worker" to his 'tool' and the laboring man has become a mere appendage of the machine, so the growing army of unemployed, even in its long-known quality of the "industrial reserve army" of capital in peace and the more so in its new quality (now grown important) of the "military reserve army" of capital in war, forms in its functions an exactly determinate component of the equipment of the present-day capitalist mode of production. Any one who takes as his starting point the means of production which are actually at hand must logically not only renounce the proletarian revolution in favor of a capitalistic reform, but in the end capitulate before fascism. The present capacity of production in its capitalistic form, computed by such theoreticians as the Technocrats and Stuart Chase, is given by the existence of the means of production, by the enormous capitalistic productive apparatus at hand. When confronted with the storms to which the world market is subjected as a result of the crisis, with the ravages of an "unregulated" competition and, last not least, with the unavoidable rebellions on the part of the suppressed and exploited workers and of the growing mass of under-workers who are "planfully" left jobless in time of peace, that productive capacity can be protected only by means of the strong State, by which this technical foundation of capitalism

is protected under all circumstances in war and in peace and defended with all ordinary and extraordinary means against all attacks of the workers as well as of the individual capitalists and special capitalist groups. That is the feeling today of the bourgeoisie, even where itself suffers under fascism, and that is the feeling of a large and growing part of the people and of the peoples, even deep into the ranks of the workers and of the unemployed under-workers. The sophism at the bottom of all this, the deceptiveness of the illusion that the strong State of a Hitler or Mussolini or Roosevelt could really solve this problem, and the insufficiency of this static and evolutionary goal itself can be illuminated only when the basic contradiction is seen not from the material side in the relation between productive means (apparatus) and the productive relations, but from the human side in the relation between the productive forces which are potentially present in the working population and the present capitalistic relations of production (which are in full accord with the productive apparatus). The modern working class, which has developed upward, not without the capitalistic means of production, but with them and thru them to the present level of its economic and historico-social-practical productive power, but which in increasing clarity of consciousness is already separable from those means of production and can already be joined to them ideologically in new socialist forms,-- the modern working class represents that "strongest force of production" which in its advancing development comes in ever increasing revolutionary contradictions with the fixed capitalistic productive relations, property relations, distribution relations, their State, law and all their ideologies. Its own State, the proletarian workers' State, is the strong State of which today fascists and half-fascists technocrats and Stuart Chasists dream only in a confused manner, but which becomes actual through the unfettering of that strongest revolutionary productive force which even today is the proletarian class itself, through the bursting of those fetters which even today is capital itself, and through the violent solution, in the international proletarian revolution, of the sharpening basic contradiction existing between the two.

It is not my intention to say that this, the real meaning of the Marxist doctrine on the basic contradiction of capitalist economy, was misunderstood by the authors of the program. There are Marxian "materialists" who look upon the Marxist doctrine of the "productive character of the proletariat itself" as an "idealistic" deviation of the master from his own materialism. This draft program is in general far remote from such dogmatic narrowness. Still less is it my design to base this whole criticism, say, on the single phrase, "productive plant." But the whole passage above quoted, which occupies a decisive position in the program, is saturated even in its style with those only apparently revolutionary, in reality superficial ideas which today are disseminated by the voluntary and involuntary pacemakers of the fascist counter-revolution regarding the possibility of a New Deal through a mere transformation of distribution and a few "planned-economic" invasions into the present system of production. Even where the program brings out, with a decisiveness not hitherto attained in any socialist program, the special significance of the industrial workers and particularly of the "basic industry workers", for whom the revolutionary solution is pointed to as the only way out because of their very situation in life, it defines as the goal of this action the creation of a condition in which "the shops run to serve the needs

of society and not to make a profit for private individuals and corporations. This, and this only, will release the machinery now braked by the overload of capital debt and the impossibility of finding solvent purchasers for commodities". This ostensibly revolutionary goal of the basic industry workers can today, in the exigencies of the crisis, be taken over even by the capitalist who is threatened with bankruptcy, and in Germany we find Hitler shouting: "The general welfare comes before private welfare"!

The "Revolutionary Parliamentarism" of the A. W. P.

In the criticism of the political part of the draft program, I take as my starting point the view (won through study of the program and press of the A.W.P.) that the A.W.P.at its present stage of development is not yet a directly revolutionary party but is merely on the way "toward an American Revolutionary Labor Movement".This becomes evident even from the external division of the program, where the aims of the party are treated quite separately from the means and methods which in the present and immediate future it thinks of employing in its "struggle for power". The second chapter which treats of "the aim of the A.W.P." is immediately followed by an intercalated third chapter which gives a criticism of the other labor parties and should really stand as an annex at the end of the program; and it is only in the fourth and last chapter that we get the answer to the question, "How the AWP will fight for Power". The significance of this sharp separation between the so-called "final goal" (questions of the maximal program, questions of the program of principles) and the so-called "present tasks" or "transitional slogans" (questions of the minimal program, questions of the program of action) is sufficiently well known to anyone familiar with the Marxist movement from the history of the European labor parties of pre-war times. Such a party is (at the best) revolutionary in its theory and in the meaning which it theoretically assigns to its present actions and to the connection between them; it is also revolutionary in its practical tendency -- more or less directed to the "final goal"--and it may in a certain measure, even in its present practice, fulfill that role which the Communist Manifesto of 1847-48 had once proclaimed for the Communists: namely, that they "represent in the present-day movement at the same time the future of the movement" or (what merely concretizes the same thing from two directions and in another form) that they represent in the national at the same time the international movement and in the political at the same time the economic and social movement on which it is based. It is not yet able, however, - whether from objective causes, based on the outer development, or from subjective causes, based on its own development - to combine its different activities, distributed over different spheres and time intervals, among each other and with all the other actions of the proletarian class into the cohesive whole of one revolutionary action.

Where such a situation is given - and that this applies to the A.W.P. to its own character and its position within the present-day American labor movement is clearly proved, in my opinion, by the present draft program - it would be improper to take the standpoint of a "pure" and total revolutionary ideology and to regard the difference between the final slogans and the present demands of the program offhand, as so many "contradictions" and "inconsistencies", or to deny to the party in question any sort of "revolutionary" character because of the

limitedness of its immediate practical tasks. The critic of such a program, and particularly the outside critic, must rather set out from the disconnectedness and transitional character of such a program as from a given fact. He must confine himself to pointing out the cases in which as a result of this (within certain limits unavoidable) division between future aims and present means and methods of the struggle, the revolutionary development of the party, oriented in its actions on this program, is hindered and endangered. He can protest when the revolutionary theory degenerates to a mere ideology, to the ideological cloak for an actually opportunistic practice, and he can prove that in certain cases, as a result of the peculiarly "revolutionary" position of the party on a certain form of proletarian activity, the present force of this proletarian activity is in reality weakened and its future revolutionary development fettered, while with an apparently less revolutionary attitude together with maximum intensification of the present activity the way for a really revolutionary further development is much better kept open.

The given starting points for such a criticism, one which is not ideologically doctrinaire but realistically revolutionary, is offered by the position taken in the program, on the one hand, to the question of parliamentarism, and on the other to the question of trade unions.

All the mistakes committed in the earlier development of the Marxist parties in Europe and there already shown up by reality are brought together with encyclopidic completeness in the program's attitude to participation in elections. It is not a matter of criticizing the decision adopted by the party in this field of tactics. A sober exposition of mere grounds of expediency, which make participation in elections a transitorily unevadable necessity in present-day America, even for a proletarian and in its tendency revolutionary party, would suffice if not to refute all the fundamental objections which might arise against the tactical decision, at least to make them practically of no account. Instead of that, the present draft program has, in the first place, taken a position on this question which is thoroly contradictory -- and this is by no means a dialectical contradiction, brought about thru the relation between final goal and present tasks, but a simple and direct contradiction arising thru unclear and inconsistent thinking and speaking. It has, furthermore, at the place where after long beating about the bush in the very last section of the program the practical decision is now really taken, it has forthwith added on to this opportunistic decision an ideological and apologetic, illusionary and "revolutionary" justification by which itself and in addition to other or others are deceived. In doing so, it has decided not simply for parliamentary activity of the party, but has rather taken up with that thoroly unreal monster of a so-called "revolutionary parliamentarism" the nothingness of which has been proved by the previous experience of all Marxist parties in Germany and in all other European countries before and since the war,--a something which, after the close of that historical period in which the Parliament constituted for the bourgeois revolution itself a means of struggle and not yet a mere means for coordinating the different competing class interests within the bourgeoisie, hence in the entire epoch of the beginning proletarian revolution has actually never and nowhere existed and which likewise will by no means exist for the present and future America now entering upon the era of the final struggle between revolution and counter-revolution, democracy and fascism, socialism and capitalism.

Because of the importance of the matter, I shall sketch in some detail the different stages by which in this program a revolutionary principle, which from the very beginning is formulated ambiguously becomes converted into a mere revolutionary phrase.

As early as the second chapter, (which in itself is not concerned with present practice, but only with the "goal" of the party) we get some remarkable phraseology concerning the allegedly "common aims of all political parties"--as if (and particularly from the viewpoint of the revolutionary final goal) there could be such a common character of proletarian and capitalist parties even for a moment. The program itself describes in detail, in two special sections, "The Nature of the Capitalist Dictatorship" as the rule of a minority and the technique by which the capitalist class imposes this rule upon the great majority of the people and of the working class with all forceful means, direct and indirect.

This exposition is counterbalanced in the next section by "The Specific Aims of a Revolutionary Party", and on this occasion, if words have any meaning, parliamentary action as a possible means for the attainment of even the smallest part of these specific aims is radically rejected. This rejection begins--still somewhat weakly--with the observation that the A.W.P., to be sure, <u>like</u> the capitalist parties aims at the conquest and consolidation of state power, but that, <u>unlike</u> the capitalist parties, it regardsthis measure "merely as an essential (!) step to fundamentally changing the whole order of society". It wants to bring this about "<u>not by stepping into state power, the Presidency or Congress</u>, but by doing away with the present basis of state power entirely". The whole exposition immediately following reaches its climax in the result that in the given conditions of the political dictatorship of capital, resting upon the economic and social class-character of the capitalist order, it would be utopian for the workers to believe that they could take over the state power along parliamentary paths. To this end, the working class would rather require other, newly forged weapons. The united action of the working class organizations must provide the basis for the construction of truly united revolutionary working-class organizations; the workers' councils, which carry through the struggle for power "with all means".

But all the theoretical clarity which with these formulations seems at first to be won, not only for an action lying in the remote future, but in tendency also for the present action of the revolutionary labor party,--, that becomes illusory through the statements of the fourth chapter by which they are irreconcilably opposed. Here we find, in the next to the last section, devoted to the "United Front", the remarkable inversion of the real relation between a genuine workers' united front and the revolutionary seizure and exercise of power through the workers' councils; namely, that the united front is not denoted as a breeding ground for the workers' councils, but inversely "the <u>so-called</u> (why only so-called?) <u>workers' councils</u>"as merely "the most highly developed form of the united front". But this little discrepancy between the fourth and the second chapter completely disappears before the magnitude of the catastrophic downfall which now comes about in the last section of this chapter, on the last page of this whole program. Once more in this section, which is headed "Participation in Elections", but this time in a much more circumspect and reserved fashion, the "movement to the ballot box" is denoted as "in the last

instance (!) not (!) the (!) most important (!) form (!)" of the political mass-movement. This reservation now serves merely as a transition to the pompous observation: "This does not mean that the AWP will neglect the traditional methods of American politics". It will rather--the dam is now broken, and the floods so long held up rush back boisterously into their old accustomed course--"wherever and whenever possible, participate in local, state and national elections, and will fight to win elections".

Now to the justification of this tactic there march up, one behind the other, all those well-known ideological pseudo-reasons which in Germany and elsewhere have over and over again been thoroly deprived of force. Beginning with the "revolutionary" possibilities of the election struggle as a tribune for propagating the aims and program of the party and for uncovering the misleading and concealing manoeuvers of the opponents, and ending with those "strategic positions" into which the various elected party members will be placed through this election allegedly for the support of the organization and of the workers' struggles and for breaking down the capitalistic control over the State and for the public pilloring of the fraudulent government politics. One sees that the revolutionary "theory" of the basic part of the party program and especially the solemn promise "not to step into state office, the Presidency or Congress" is here actually reduced to a pure ideology of concealment, which enables the party also on its own account to faithfully carry on "the traditional methods of American politics".

The Trade-Union Policy of the A.W.P.

In the trade-union question also there is a contradiction between the theoretical position of the A.W.P. as consciously proclaimed in the program, and its actual practice as shown by the previous and continuing development of the party and as it receives at least an indirect expression in the concrete positions taken in the program on the questions of the present-day American trade-union organization and tactic. In its actual practice and in all concrete questions, the A.W.P., which in its past "has functioned primarily in the economic conflicts of the American labor scene", recognizes even yet today the peculiar and independent significance of the economic and social struggles of the working class and renounces expressly not only a "mechanical" but actually also any other form of rule over the trade-union organizations and the subordination of their special aims to the "higher" aims of the "politics" carried on by the "Party". In its theoretical position on the trade-union question, however, it takes its stand on that theory which in the best case (Lenin) is jacobinical-revolutionary and in the worse case (the German Social Democracy and other marxist parties of pre-war time) is simply bourgeois; namely, the primacy of politics over economics and of the political over the trade-union struggle. While it rightly reproaches the American Social Democracy with drawing too sharp and arbitrary a line of separation between the political and economic labor struggle, with leaving the leadership of the latter completely in the hands of the ultra-reformist bureaucracy of the A.F. of L. and with supporting in the trade-unions in all cases the reactionary measures of the right -wing bureaucracy against the progressive tendencies within the trade unions, still in the formulations of principle of its draft program the A.W.P. itself falls into the opposite one-sidedness. One

may say that in the American labor movement of the present time the Socialist Party repeats the actual development, while the A.W.P. repeats the ideology of the German Social Democracy of pre- and post-war time, where the true relation between party and trade unions was even then mirrored inversely.

In a sharp break with the actual character which it has previously revealed, the A.W.P. today wants to be above all a "political" party. For this reason it wishes to give a strictly political orientation not only to all its own activities, but in an extraordinarily abstract fashion to subordinate all other activities of the working class to this political activity of the Party. All other class organization of the fighting proletariat appear accordingly, even in this new program, under the bad and unspecific general name of "mass organizations" (to be won by the party). Even the trade unions, which in reality represent a peculiar and independent basic form of the proletarian class organization not replaceable by the party, come under this theoretical viewpoint. In the present draft program they are treated as, to be sure, most important but yet only of equal rank with the other "mass organizations" (by the side of farmers, negroes, professional workers and unemployed), thru which the Party, mainly bent upon its own narrower political party tasks, strives to extend and strengthen its influence in a secondary way. Though in this connection the overwhelming importance of the industrial workers and especially of the "workers in the large shops, mills, factories and mines of the basic industries" is correctly emphasized, yet immediately following, with a somewhat striking "idealism", the actual winning of precisely these most important workers is practically set equal to the purely ideological task of their merely theoretical attraction into the inner orientation of the Party. The program says that the A.W.P. wants to support itself "in a two-fold sense" on these industrial workers. It wants to win their membership, their confidence and influential positions in their organizations; but even though the actual progress aimed at in this way among the industrial workers were to be slight, the A.W.P. wants to "make the needs and the historical position of these workers the viewpoint of its theoretical orientation". This "idealistic" turn of speech is not only suspiciously reminiscent of the manner of a merely parliamentary and electoral party, which also ever takes care to put the needs and the situation of broad masses of voters "in the mid-pointof its orientation". It also shows very clearly the insufficiency of such a merely formal attitude of the political party of the proletariat to all activities of the proletarian class struggle which are not or "not yet" politically formed.

Now of course the A.W.P. in this very profession of allegiance to the primacy of politics over economics and to the superiority of the conscious political struggle of the Party over all other less developed forms of the proletarian fight for emancipation, has wished to profess allegiance to that revolutionary conception of the relation between economics and politics, party and trade unions, which since Lenin and Trotsky is regarded as the true Marxist position on the trade-union question. The A.W.P. wants in its turn to repeat that great struggle which Lenin, around the turn of the century, carried through in Russia and on an international scale against the "Economists", and to restore to honor that famous phrase of the Communist Manifesto which states that in the last instance "every class struggle is a political struggle". It quite correctly recognizes behind the

apparent bowing of the "Socialist Party" to the "trade unions" the real alliance of all backward instead of forward looking elements in party and trade unions, and wants to set over against this alliance of all reactionary elements under the "hegemony" of the trade-union bureaucracy the alliance of all progressive elements of the whole labor movement under the leadership of the revolutionary party. Such a genuine combination of the economic and political struggle and of all other forms of activity of the working class into the single whole of a directly revolutionary struggle is the necessary goal of all proletarian revolutionists, regardless of whether they conceive this alliance in the "Leninist-Communist" manner as a bringing together of all isolated forms of struggle into the revolutionary political struggle or in the "syndicalist" manner as an extension and intensification of the direct economic action into the single whole of a directly revolutionary and social struggle. On this point there scarcely remains in the revolutionary end-result a single difference between the two tendencies which today are competing with and warring upon each other. The very same Marx who called every class struggle a "political struggle" has also in exactly the same sense called politics a "concentrated economics". The coincidence of the two conceptions regarding the relation of the economic to the political class struggle first practically comes about, however, in the moment or in the period when, in the direct revolutionary action of the workers' councils, economics and politics actually coalesce. Until that time the claim to hegemony put forth by both of the tendencies, the "political" one of the Marxists and Leninists no less than the "economic" one of the syndicalists, contains a one-sidedness which restricts and weakens the practical class struggle of the proletariat. The identity which is present in the beginning of the economic and political class struggle of the workers can first be completely actualized in the full development of the directly revolutionary struggle. It can no more be brought about in advance through a merely formal "subordination" of the"trade union mass organizations" to the viewpoint of a revolutionary party than through the no less formal rejection of all "politics" in the other camp; and the damage unavoidably resulting from such an empty formalism strikes, as is especially clearly shown by the fate of the German Social Democracy, in the end not only and not even most severly the trade unions and the possible forms of organization to be "politicized" and "led" by the party in accordance with its "revolutionary" ideology, but also the party itself, Just as in an earlier period with the German Social Democracy, so with the AWP even today there is concealed behind the ideologically raised claim to the primacy of the party over the trade unions, in reality the opposite practical tendency of subjecting its revolutionary political theory to the preponderance of the trade-union mass organizations and their practice, oriented to their own and by no means revolutionary interests. Such a germ of future capitulation is concealed, for example, behind the extraordinarily general declaration of the party against "any general policy of dual unionism" and the equally general assertion, added to this declaration as the only reason for it, that any "divided trade union movement opens the way for fascism." This passage may be applicable to the policy of the Communist Party--a policy which is described immediately thereafter in considerably more concrete form with its paper red unions bound to the line set by the party leadership, though even for this trade union policy of the C.P. the most fatal mistake--a point which the program completely overlooks--consisted in the fact that it has been an unprincipled tactic different

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for different countries and continually vacillating in the course of time, and has accordingly been no more a consistent policy of splitting the trade unions than a consistent policy of conquering them; but how can a revolutionary proletarian party in the USA--a party which is up in arms against the ineradicable reformism of the A.F.of L. bureaucracy, and at the same time has to ward off the new half-fascist tendency ofthe Roosevelt administration to turning the trade union movement into an instrument of state policy, and which furthermore propagates as the next stage of development to be aimed at with reference to workers' united front actions the forming of revolutionary workers' councils--how can such a party, in such a pompous manner resign itself to recognizing the now existing trade union organizations for all future time? In reality there is here revealed, in this first practical drawing back of the American Workers Party before the enormous difficulties of its theoretically proclaimed revolutionary tasks, the unavoidable developmental tendency of a political party which, instead of injecting itself as a definite part, fulfilling important part functions, into the existing working-class movement, comes forth with a"theoretical" claim to totality, in the name of a "revolutionary" theory which, under the given relations, is unavoidably converted into an ideological glorification of a much more limited practice, and behind which the process of reducing the revolutionary proletarian party to a bourgeois opposition party and its final destruction through the american Mussolini or Hitler can be accomplished the more readily.

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*** L E N I N I S M O R. M A R X I S M ? ***

By ROSA LUXEMBURG.

Introduction.

"Sensitive souls will again lament," wrote Rosa Luxemburg at the end of her quarrel with the pseudo-Marxists of the Second International, "that Marxists wrangle among themselves, and that approved "authorities" are combatted. But Marxism is not a handful of individuals who confer upon each other the right of "expert judgment" and before whom the great mass of believers is expected to die in a state of blind confidence. Marxism is a revolutionary view of the world which must constantly strive for new insights, which eschews nothing so much as the holding on to forms which have lost their validity, and which best preserves its vital strength in occasional clashes of self-criticism".

These sentiments of Rosa Luxemburg, written in jail during the World War, deserve to be repeated today louder than ever. The cry for unity which is now so much in favor, and which, after the frightful defeats of the international proletariat, serves merely to veil the fact that with the present labor organizations the forming of a genuine proletarian class front is impossible, must be answered by the revolutionary workers with unsparing criticism. The old, outlived labor movement excludes any real united front, which is possible only upon the basis of the genuine class struggle and not upon that of organizations. The unity of the dead form is the death of the fighting spirit of the working class. The proper concern is rather with breaking up the organizations which have become a fetter upon the class struggle, in order to make the working class fit for struggle. And what today must be broken up are not only the wretched remains of the dilapidated organizations of the Second International and of the trade union movement, but also the organizations of the "heirs" of the reformist movement, the Third International and its various 'right' and 'left' offshoots.

Scarcely had the Russian Revolution put an end to the "expert judgment of the Second International in the matter of class betrayal and murder of workers, when the new "authorities" of the new international were in their turn destroying the first beginnings of a genuine revolutionary movement, which found its new form of organization in the workers' councils. The 'official' labor movement has never been more contemptible, more treasonable, more nauseous than it is today. The neglect on the part of the international proletariat to make a violent end of the old labor movement has been paid for with the blood of its best fighters. The brazenness of the "owners" of the "labor organizations" lived down their betrayal of the working class during the World War, lived down the slaughter of the revolutionary movement of Central Europe after the War, lived down apparently also the defeats suffered at the hands of Fascism in Italy, Germany and Austria, only in order to make a new attempt to continue the treacherous business and prolong its parasitical existence at the expense of the workers. Though the organizations of both the Internationals are politically done for, they nevertheless still persist as traditions in the minds of the workers and poison the first attempts at the forming of genuine fighting instruments. They must further be shattered even as a tradition, and within the scope of this necessity lies also the destruction of the Lenin legend so artificially built up.

The history of the Leninist, pseudo-communist parties of the Third International is the history of uninterrupted inner crises. Their development could really take no other course; for the whole ideological and tactical baggage of the Third International is a mixture of social-democratic traditions and so-called 'experiences' of the Bolshevist Party--combined with the needs of Russian national policy (directed toward making Russia one of the Great Powers), which determine the political line of that International. Yet one of the elementary truths of the materialist dialectic is that the methods and means of struggle which are proper to a given period and to a determinate place prove inept when transferred to another period and to other localities and relations. For this reason, the tactic of the Third International did not, and does not, meet the needs of the revolutionary class struggle of the proletariat; and still less in harmony with this struggle is Russian domestic politics.

The defiling of Marxism, from opportunistic considerations, at the hands of Lenin's international, is no less extensive than that which it has suffered through the Second International. Neither of them has any connection with revolutionary Marxism. The un-Marxist character of Lenin's thought, for example, may be glimpsed in the fact that, misled by the ideological backwardness of the Russian workers while at the same time accepting the mechanistic conceptions of Plechanoff and Kautsky, he came to the philosophical conclusion that the working class will never be capable of developing a revolutionary class-consciousness but that such consciousness must be 'imposed' on the masses by the revolutionary party, which gets its ideas from the intellectuals. In his pamphlet "What's To Be Done", this view is given the clearest possible expression, and the upshot is that without a party, and, here again, a sharply centralized and strictly disciplined party, a revolutionary movement is -- possible, no doubt, but can in no case be a successful one. His principle of organization and revolution is of a disarming simplicity; the objective situation creates revolutionary ferments, which it is the duty of the Party to exploit.

The Party is the most important factor in the process of overthrow. The quality of the Party, of the central committee, of the leaders, of the slogans, the proper turns at the proper moment - on these alone depends, in the last instance, the weal and woe of the revolutionary movement. Hence the forming of professional revolutionists and the demand for fanatic discipline in carrying out the party decisions, without regard for the fact that in this way history again becomes the "work of great men". The role of spontaneity in the historical development was misunderstood and underrated; it was of importance only in so far as it could be influenced by the Party. The workers' councils (soviets) arising spontaneously out of the masses themselves were of value only insofar as the Party was able to control them. The Party it self was the beginning and the end of the Revolution.

Such a position is idealistic, mechanistic, one-sided, and certainly not Marxist. To Marx, revolutionary consciousness occurs not only as ideology, but the proletariat as such, without regard to ideological factors, is the actualization of revolutionary consciousness. The Party to Marx, is welcome and a matter of course, but not unconditionally necessary; quite apart from the further consideration that revolutionary consciousness can also manifest itself in other than the party forms. Even without the existence of a Party, without a central committee, and without a Lenin, the revolution must finally come about, since it receives its strongest nourishment from the increasing social forces of production and not merely from the productive relations. The ideology corresponds to the social relations, but the driving forces of the revolutionlie deeper; they are identical with the proletariat, as the strongest force of production. Class consciousness, to Marx, is not merely the revolutionary ideology crystallized in the Party, but the truly practical class struggle, through the growth of which (not the growth of the Party) the revolutionary movement is necessarily brought to a successful issue. To Marx, there is no separation between workers and Party; the existence of the Party is merely an expression of the fact that only minorities can do consciously what the masses themselves are compelled unconsciously to do. Even without a knowledge of the dialectical laws, the genuine movement remains dialectical. The minority is a part (though not the decisive part) of the revolutionary process; it does not produce the process but is produced by it. For Lenin ,however, that minority is identified with the revolution itself.

The Leninist conception contradicts all historical experience as well as all theoretical considerations, and yet it is generally accepted today in the labor movement. The reason for this, however, consists merely in the fact that its untenability has been very largely obscured through the success of the Bolsheviks in Russia. The traditional enthusiasm for the Russian Revolution is still so strong that the countless defeats which the international proletariat has suffered through the agency of this same Party has, to be sure, shattered the confidence reposed in Lenin's epigones but not in his principles. Even those parties which take a position outside the bolshevist International, such as the Trotsky group or the American Workers Party, hold fast to the principles of this International, without considering that by so doing they convert their whole opposition into one which is purely tactical and hence impossible.

Let anyone compare the programs of these opposition groups with those of the bolsheviks. He will see at once that these new organizations

merely seek to restore what has already landed on the junk pile of history. All these formations are haunted by the ghost of Lenin who carried to its logical conclusion what had developed in the Second International; that is, the complete surrender of the working masses to the private needs of the professional bureaucracy in the organizations. "Back to Lenin" as people are so fond of shouting today, means to repeat the building up of labor organizations which of necessity, by reason of their very structure, must become obstacles to the revolutionary movement.

In the current debates on questions of organization of the proletarian revolution, it is significant that they are conducted upon a level far beneath that of 1916--in fact, as will be clear from the work of Rosa Luxemburg herewith presented, far beneath the 1904 level. Just let us compare, for example, the political conclusions drawn by Karl Liebknecht from the treason of the Second International with those of the neo-bolshevist movements of 1934, and it becomes clear at once that these latter have forgotten everything and learned nothing. "The interest of the professional bureaucracy within the labor movement," writes Karl Liebknecht, ("Nachlass" written 1916 in the house of detention) "aims at nothing so much as the avoidance of any serious discussion, any decisive conflict. It is directed toward official relations, toward the continuance of a labor movement which goes along at an even pace, one which is well tolerated and even looked upon with favor by the ruling classes. The movement must never endanger the 'organizations' and the positions of the bureaucrats. To them, the organization is an end in itself, not a means to the revolutionary end. The struggle of the organizations among themselves, that is, of the source of existence of the professional leaders, for the purpose of winning members, is the one end for which they can be had for struggles at all -- struggles within local limits, to which they give their consent reluctantly at the insistence of the masses. They are not revolutionists, but reformists at most; they are completely "above the battle"--a paradoxically parasitic element attached to the capitalistic social order.

"That is the fatal circle in which these organizations move--the great centralized affairs provided with functionaries living on a fixed salary and, considering their previous class level, a very good salary. In this professional bureaucracy they not only produce an element which is absolutely hostile to the revolutionary interests of the proletariat, but convert that element into their leaders with full powers, who easily become their tyrants. Meanwhile the mental and moral independence, the will, the initiative, the personal action of the masses is suppressed or quite eliminated. To this professional bureaucracy also belong the salaried parliamentarians.

"There is only one remedy at hand for this evil; removal of the salaried bureaucracy, or its elimination from the forming of all resolutions and limiting its functions to technical assistance. To which may be added: No reelection of any official after a certain tenure,--a measure which would serve at the same time to increase the number of proletarians familiar with organizational and technical matters; possibility of recall at any time during the term of office; restriction of the competency of authorities; decentralization; vote of all members on important questions. In the election of officials, the decisive weight must be laid upon their having stood the test of decided, mili-

tant, revolutionary action, of revolutionary fighting spirit, of unreserved self-sacrifice inclusive of staking their whole existence for the cause. The training of the masses and of each individual for mental and moral independence, for skepticism regarding authority, for decided self-initiative, for readiness and capacity for free action, forms the only sure foundation for the development of a labor movement equal to its historic task, as well as the most essential presupposition for the eradication of bureaucratic dangers."

That was in 1916. A little later, Liebknecht and Luxemburg, and, with them, all true revolutionists saw with aversion that with the consolidation of party rule in Russia, with the degeneration of the dictatorship of the proletariat into the dictatorship of the bolshevist bosses, the real content of the revolution of 1917 was again dissipated. With the putting down of the German revolutionary movement, with the murder of Rosa Luxemburg and Karl Liebknecht, everything which had already been won by revolutionary criticism was lost again in the false enthusiasm for the Russian bogus socialism. We now have to start again from the beginning.

The collapse of the Third International was first required in order to bring about a real decision in the theoretical struggle which took place between Lenin and Luxemburg thirty years ago. History has decided in favor of Rosa Luxemburg. In laying her criticism of the opportunistic principles of Lenin before the proletariat again today, we are conscious of the fact that her argument might be considerably extended, that her standpoint was not a final one, that her position was still influenced (and necessarily so) by the Social Democracy. But regardless of the extent to which her criticism can no longer be regarded as having more than a historic interest, what she had to say against the Leninist form of organization is more to the point today than when it was written. The need for destroying the Lenin legend, as a prerequisite for a complete reorientation of the labor movement, restores to the work of Rosa Luxemburg a contemporary value. This pamphlet will be followed by others in which the question will be taken up at the point where Rosa Luxemburg was obliged to drop it when her life was snuffed out by the capitalistic gunmen of the Social Democracy.

- UNITED WORKERS PARTY OF AMERICA.-

NOTICE.

* A few pages of this pamphlet by Rosa Luxemburg * have been published in English before, but this * is the first time the whole subject has been * covered entirely with but a few sentences omitted which today have no meaning or relationship to the subject. *

- Editor -

LENINISM or MARXISM?

By Rosa Luxemburg.

Part I.

Organizational Questions of the Proletarian Revolution.

In the Social Democracy, organization too is a different thing from that of the earlier, utopian attempts at Socialism; being not an artificial product of propaganda but an historical product of the class struggle, a product into which the Social Democracy brings nothing more than the political consciousness. Under normal conditions, that is, where the class rule of the bourgeoisie precedes the social-democratic movement, the first political welding together of the workers has in large measure been the work of the bourgeoisie itself."On this plane," says the Communist Manifesto, "the drawing together of workers in mass is not yet the consequence of their own union, but the consequence of the union of the bourgeoisie."' In Russia there has fallen to the Social Democracy the task of consciously stepping in and taking over a part of the historical process and of leading the proletariat, as a fighting class which is conscious of its goal, from political authoritarianism, which forms the foundation of the absolutist regime, direct to the highest form of organization. Thus the organizational question is especially difficult to the Social Democracy of Russia not merely because its work must be done without any previous experience of bourgeois democracy, but especially because it has to create, in a sense, like the good Lord himself, "out of nothing", without the political raw material which is elsewhere ready prepared by bourgeois society.

The problem on which the Russian Social Democracy has been working the last few years is precisely the transition from the dispersed, quite independent circles and local organizations, which corresponded to the preparatory and primarily propagandistic phase of the movement, to a form of organization such as is required for a unified political action of the masses throughout the nation.

Since, however, the most prominent trait of the old form of organization, now grown unbearable and politically surpassed, was dispersion and complete autonomy, or the self-sufficiency of the local organizations, it was quite natural that the watchword of the new phase, of the preparatory work for the great organization, should become--centralism. The emphasis on this thought was the leitmotif of Iskra in its brilliant three-year campaign for preparing the last and really constituent party congress, and the same thought dominated the entire young guard of the party. However, it was soon to appear at the Congress, and still more so after the Congress, that centralism is a slogan which is far from exhausting the historical content, the peculiarity of the social-democratic type of organization; it has been shown once more that the marxist conception of Socialism is not susceptible of being fixed in formulas.

The present book of Comrade Lenin, one of the prominent leaders and debaters of Iskra in its campaign preliminary to the Russian Party

Congress (*), is the systematic exposition of the views of the ultra-centralist wing of the party. The conception which has here found expression in penetrating and exhaustive form is that of a thorough-going centralism of which the vital principle is, on the one hand, the sharp separation of the organized bodies of outspoken and active revolutionists from the unorganized though revolutionarily active masses surrounding them, and on the other hand, strict discipline and direct, decisive and determining intervention of the central authorities in all expressions of life in the party's local organizations. It suffice to note, for example, that the central committee, according to this conception, is authorized to organize all sub-committees of the party, hence also has power to determine the personal composition of every single local organization, from Geneva and Liege to Tomsk and Irkutsk, to give it a set of self-made local statutes, to completely dissolve it by a decree and create it anew, and finally in this manner to influence the composition of the highest party authority, the Party Congress. According to this, the central committee appears as the real active nucleus of the party, and all other organizations merely as its executive organs.

In the union of such a strict centralism in organization with the social-democratic mass movement, Lenin perceives a specific marxist-revolutionary principle, and has succeeded in bringing into the field a large number of facts to support his conception. Still, let us look into the matter a bit more closely.

There can be no doubt that a strong centralistic streak is native to the Social Democracy. Having sprung from the economic soil of capitalism, which is centralistic in its tendencies, and confined in its struggle to the political framework of a centralized great power under the dominance of the bourgeoisie, the Social Democracy is fundamentally opposed to any particularism or national federalism. Called upon to represent, in opposition to all partial and group interests of the proletariat, and within the framework of a given State, the total interests of the proletariat as a class, it reveals everywhere the natural striving to weld together all national, religious and professional groups of the working class into one unified party.

In this respect, there has been and is, for the Social Democracy also of Russia, no question but that it must form, not a federative conglomerate made up of a great number of special organizations on a national and provincial scale, but a unified, compact labor party of the Russian Empire. There is, however, a quite different question also to be considered: namely, the greater or less degree of centralization and the detailed structure within a united and unified party.

From the standpoint of the formal tasks of the Social Democracy as a fighting party, centralism in its organization appears a priori as an indispensable condition upon the fulfillment of which the fighting qualities of the party stand in direct relation. More important here, however, than the consideration of the formal demands of any fighting organization are the specific historical conditions of the proletarian struggle.

The social-democratic movement is the first one in the history of class societies which in all its factors, throughout its course, is

(*) N.Lenin: "One Step Forward, Two Steps Backward".-Geneva, 1904.

calculated upon the organization and the initiative of the masses. In this respect, the Social Democracy creates a quite different type of organization than did the earlier socialist movements; for example, those of the Jacobin and Blanquist type.

Lenin appears to underrate this fact when he states in his book that the revolutionary Social Democrat is, after all, simply "the Jacobin inseparably linked with the organization of the class-conscious proletariat". In the organization and class consciousness of the proletariat, Lenin perceives the only factors which differentiate the Social Democracy from Blanquism. He forgets that this difference involves also a complete transvaluation of organizational concepts, a quite new content of the many-sided relation between organization and struggle.

Up to this point we have regarded the question of centralism from the standpoint of the general bases of the Social Democracy and also in part from that of the present-day relations in Russia. But the night-watchman spirit of the ultra-centralism championed by Lenin and his friends is by no means, as concerns him personally, an accidental product of errors but is bound up with a thorough-going opposition to ---opportunism.

"The question is," says Lenin, "by means of the rules of organization, to forge a more or less sharp weapon against opportunism. The deeper the sources of opportunism lie, the sharper must be this weapon."

Lenin perceives also in the absolute power of the central committee and in the strict hedging off of the party by statute the one effective dike against the opportunistic current, the specific earmarks of which he denotes as the inborn academic predilection for autonomism, for disorganization, and the wincing at strict party discipline and at any 'bureaucratism' in the party life. Only the socialist 'Literat', thanks to his innate instability and individualism, can, in Lenin's opinion, oppose such unlimited powers of the central committee; a genuine proletarian, on the other hand, must, even as a result of his revolutionary class instinct, experience a sort of rapture at all the stiffness, strictness and smartness of his highest party officials, and subjects himself to all the rude operations of party discipline with joyously closed eyes. "Bureaucratism as against democratism," says Lenin, "that is precisely the organizational principle of the Social Democracy as opposed to the organizational principle of the opportunists." He appeals insistently to the fact that the same opposition between the centralistic and the autonomistic conception in the Social Democracy is becoming noticeable in all countries where the revolutionary and the reformist or revisionist tendency stand facing each other.

First of all, it must be noted that the strong emphasis laid on the inborn capacities of the proletarians for social-democratic organization and the contempt heaped upon the 'academic' elements of the social-democratic movement, is not in itself to be appraised as anything 'marxist-revolutionary'. All that sort of thing can equally well be regarded as bearing a relationship to opportunistic views.

There can, to be sure, be noted in what has hitherto been the practice of the Social Democracy of western Europe an undeniable connection between opportunism and the academic element, and also between opportunism and decentralist tendencies in questions of organization. But when

these phenomena, which arose upon a concrete historical soil, are released from this connection, and converted into abstract patterns with general and absolute validity,--such a procedure is the greatest sin against the "Holy Ghost" of Marxism, namely, against his historic-dialectical method of thought.

Taken in the abstract, only so much may be definitely stated: that the 'intellectual', as an element stemming from the bourgeoisie and hence by nature foreign to the proletariat, can arrive at socialism not in accordance with his own class feeling but only through overcoming that feeling and by way of the socialist ideology, and is accordingly more predisposed to opportunistic strayings than is the enlightened proletarian, who, insofar as he has not lost the connection with his social origin, the proletarian mass, is provided with a sure revolutionary handhold in virtue of his immediate class instinct. As to the concrete form, however, in which this academic tendency to opportunism appears, particularly in matters of organization,--that depends in each case on the concrete social milieu in question.

The phenomena in the life of the German as well as of the French and Italian Social Democracy to which Lenin appeals were the outgrowth of a quite determinate social basis, namely, bourgeois parliamentarism. Just as this latter is in general the specific soil of the present opportunistic current in the socialist movement of western Europe, so also have sprung from it the special tendencies of opportunism toward disorganization.

Parliamentarism supports not only all the illusions of present-day opportunism, as we have come to know them in France, Italy and Germany, but also the overestimation of reform work, of the cooperation of classes and parties, of peaceful development, etc. It forms at the same time the soil on which these illusions can be confirmed in practice, in that the intellectuals, who as parliamentarians even in the Social Democracy are still separated from the proletarian mass, are thus in the sense elevated over that mass. Finally, with the growth of the labor movement, the same parliamentarism makes of this movement a springboard for political upstarts, and accordingly easily converts it into a refuge for ambitious and bankrupt bourgeois existences.

From all these factors results also the definite inclination of the opportunistic intellectual of Western European Social Democracy to disorganization and lack of discipline. The second definite presupposition of the present-day opportunistic current is, of course, the presence of an already high stage of development of the social-democratic movement, hence also of an influential social-democratic party organization. The latter then appears as that bulwark of the revolutionary movement against bourgeois-parliamentarian tendencies--a bulwark which has to be worn down and pulled apart so as to dissolve the compact and active kernel of the proletariat back into the amorphous mass of electors. In this way arise the historically well-grounded and determinate political aims of admirably adapted 'automatic' and decentralistic tendencies of modern opportunism; tendencies which, accordingly, are not to be traced back to the inborn slovenliness and looseness of the 'intellectual', as Lenin assumes, but to the needs of the bourgeois parliamentarian--not to the psychology of the academic element, but to the politics of the opportunist.

But all these relations have a considerably different aspect in absolutist Russia, where the opportunism in the labor movement is by no means a product of the vigorous growth of the Social Democracy, of the decomposition of bourgeois society, but inversely a product of its political backwardness.

The Russian intelligentsia, from which the socialist intellectual is recruited, has naturally a much more indeterminate class character, is much more declassed in the exact sense of the word, than the intelligentsia of Western Europe. From this there results--in combination, to be sure, with the youthfulness of the proletarian movement in Russia--in general a much wider field for theoretical instability and opportunistic meanderings, which at one time take the form of a complete negation of the political side of the labor movement, and at another time turn toward the opposite belief in the exclusive blessedness of terrorism, and finally rest up in the 'philosophic' swamps of liberalism or of Kantian idealism.

But for the specific active tendency to disorganization, the social-democratic intellectual of Russia lacks, in our opinion, not only the positive hold in bourgeois parliamentarism but also the corresponding social-psychical milieu. The modern writer of western Europe who devotes himself to the cult of his alleged 'ego' and drags this 'master morality' even into the socialist world of struggle and thought, is not the type of bourgeois existence; he is in fact the product of a decadent, corrupted bourgeoisie already hidebound in the worst circle of its class rule. The utopian and opportunistic vagaries of the socialist intellectual of Russia incline inversely, as is readily understandable, rather to assume the inverted theoretical form of self-mortification, of self-flagellation. In fact, that erstwhile "going to the people", that is, among the populists the obligatory masquerade of the intellectual as a peasant, was nothing other than a despairing invention of the same intellectual, just as is nowadays the clumsy cult of the "horny hand" on the part of the pure 'Economists'.

The same reflection also makes clear that centralism in the social-democratic sense is not at all an absolute concept which can be carried out equally well at any stage of the labor movement, but that it must rather be regarded as a tendency, the actualization of which proceeds in step with the enlightenment and political schooling of the working class in the course of its struggle.

The insufficiency of the most important presuppositions for the full realization of centralism in the Russian movement at the present time may, to be sure, have a very baneful effect. Nevertheless it is false, in our opinion, to think that the still impracticable majority rule of the enlightened workers within their party organization may be replaced 'temporarily' by a 'transferred' sole-mastery on the part of the central authority of the party and that the lacking public control on the part of the working masses over the acts and omissions of the party organs would be just as well replaced by the inverted control of a central committee over the activity of the revolutionary workers.

The history of the Russian movement itself furnishes many proofs for the dubious value of centralism in this latter sense. The central committee with its almost unlimited authority of interference and control according to Lenin's ideal would evidently be an absurdity if it should

limit its power to the purely technical side of social-democratic activity, to the outer means and accessories of agitation--say, to the supplying of party literature and suitable distribution of agitational and financial forces. It would have a comprehensible political purpose only in case it were to employ its power in the creation of a unified fighting tactic for Russia and in the release of a great political action. What do we see, however, in the phases through which the Russian movement has already passed? Its most important and most fruitful tactical turns of the last decade were not by any means 'invented' by determinate leaders of the movement, and much less by leading organizations, but were in each case the spontaneous product of the unbound movement itself. So was the first stage of the genuine proletarian movement in Russia, which set in with the elemental outbreak of the great St.Petersburg strike in the year 1896 and which for the first time had inaugurated the economic mass action of the Russian proletariat. Likewise, the second phase--that of the political street demonstrations--was opened quite spontaneously as a result of the student unrests in St.Petersburg in March 1901. The further significant turning point, by which new horizons were opened to tactics, was the mass strike which broke out "all of itself" in Rostov on the Don, with its ad hoc improvised street agitation, the popular meetings under the open sky, the public addresses,--things of which the boldest blusterer among the Social Democrats would not have ventured to think a few years earlier. Of all these cases, we may say that in the beginning was "the deed". The initiative and conscious leadership of the social-democratic organizations played an exceedingly small role. This was not, however, so much the fault of defective preparation of these special organizations for their role--even though this factor may have been a considerable contributing cause-- and certainly not of the lack at that time, in the Russian Social Democracy, of an all-powerful central committee in accordance with Lenin's plan. Inversely, such a committee would in all probability only have worked to the purpose of making the indecision of the various party committees still greater, and brought about a division between the storming masses and the procrastinating Social Democracy.

The same phenomenon--the small part played by the conscious initiative of the party leadership in the shaping of tactics--is still more observable in Germany and elsewhere. The fighting tactics of the Social Democracy, at least as regards its main features, is absolutely not 'invented', but is the result of a progressive series of great creative acts in the course of the experimenting and often elemental class struggle. Here also the unconscious precedes the conscious, the logic of the objective historical process goes before the subjective logic of its spokesmen. So that the role of the social-democratic leadership becomes one of an essentially conservative character, in that it leads to working out empirically to its ultimate conclusions the new experience acquired in the struggle and soon to converting it into a bulwark against a further innovation in the grand style. The present tactic of the German Social Democracy, for example, is generally admired for its remarkable manifoldness, flexibility and at the same time certainty. Such qualities simply mean, however, that our party has adapted itself wonderfully to its daily struggle to the present parliamentary basis, down to the least detail, that it knows how to exploit the whole field of battle offered by parliamentarism and to master it in accordance with given principles. At the same time, however, this specific formulation of tactics already serves to much to conceal the further horizon

that one notes a strong inclination to eternalize that tactic and to regard the parliamentary tactic as the social-democratic tactic for all time. As illustrative of this mood, we may mention the vain efforts which Parvus has been making for years now to bring about a debate in the party press regarding an eventual reformulation of tactics in case of the abrogation of universal suffrage, in spite of the fact that such an eventuality is viewed by the party leaders in full and bitter seriousness. This inertia is, however, largely explained by the difficulty of giving contour and palpable forms to a still inexistent, hence imaginary, political struggle, whatever its weight in the empty air of abstract speculation. To the Social Democracy also, the important thing each time is not the premonition and formulation of a ready-made recipe for the future tactic, but the preservation within the party of the correct historical appraisal for the then prevailing forms of struggle, a lively feeling for the relativity of the given phase and for the necessary intensification of the revolutionary factors from the standpoint of the final goal of the proletarian movement.

But to desire, as Lenin does, to deck out a party leadership with such absolute powers of a negative character would be only to multiply artificially and in a most dangerous measure in conservatism which is a necessary outgrowth of every such leadership. Just as the social-democratic tactic was formed, not by a central committee but by the whole party or, more correctly stated, by the whole movement, so the separate organizations of the party plainly require such elbow-room as alone enables complete utilization of all means offered by the situation of the moment, as well as the unfolding of revolutionary initiative. The ultra-centralism advocated by Lenin, however, appears to us as something which, in its whole essence, is not informed with the positive and creative spirit, but with the sterile spirit of the night-watchman. His thought is patterned mainly upon the control of party activity and not upon its promotion, upon narrowing and not upon unfolding, upon the hemming and not upon the drawing together of the movement.

Such an experiment seems doubly dangerous to the Russian Social Democracy at the present time. The party stands on the eve of great revolutionary struggles for the overthrow of absolutism, before or rather engaged in a period of most intense creative activity in the field of tactics and--a thing which is self-evident in revolutionary epochs--of feverish extensions and shiftings of its sphere of influence. In such times, to insist on fettering the initiative of the party spirit and raising a barbed-wire fence around its capacity for leap-like expansion, would be to make the Social Democracy largely unfit in advance for the great tasks of the moment.

These general considerations on the peculiar content of social-democratic centralism do not, of course, permit of deducing the concrete provisions of the rules of organization for the Russian party. Those depend naturally, in the last instance, upon the concrete circumstances in which the activity unfolds in the given period, and--since we are concerned in Russia with what is, after all, the first attempt at a great proletarian party organization--can scarcely pretend to infallibility in advance, but must rather in each case first stand the test of practical life. What can be inferred, however, from the general conception of the social-democratic type of organization is the

main outlines, the spirit of the organization; and this spirit prescribes, especially in the beginnings of the mass movement, coordination and drawing together instead of regimentation and exclusiveness. If this spirit of political liberty, combined with a sharp eye to stability of principles and to the unity of the movement, has secured a foothold in the ranks of the party, in such a case the defects of any rules of organization, even of those which are awkwardly worded, will soon undergo effective revision through practice itself. It is not the wording of the regulations but the spirit and meaning incorporated into that wording by the active fighters which decides concerning the value of a form of organization.

Blanquism was not calculated upon the direct class action of the working masses, and accordingly did not need a mass organization. On the contrary, since the great mass of the people was not to appear on the scene of action until the time for the revolution, while the preliminary action for the preparation of a revolutionary insurrection was performed by a small minority, a sharp separation of the persons entrusted with this action from the mass of the people was an indispensable condition to the successful carrying out of their task. Such a separation was possible and practicable, since no inner connection existed between the daily life of the masses and the blanquist conspiratorial activity, and likewise the tactic and the more immediate objects of activity--since these had no connection with the soil of the elemental class struggle, but were improvised out of whole cloth--were worked out in full detail in advance, fixed and prescribed as a definite plan. For that reason the active members of the organizations were naturally transformed into pure executive organs of a previously determined will existing outside their own field of activity, into tools of a central committee. Thus we have also the second characteristic of conspiratorial centralism: the absolute, blind subordination of the different organs of the party to their central authority, and the extension of the decisive powers of this latter onto the outermost periphery of the party organization.

Fundamentally different are the conditions of social-democratic action. This action grows historically out of the elemental class struggle. In so doing, it works and moves in the dialectical contradiction that here the proletarian army is first recruited in the struggle itself, where it also first becomes clear regarding the tasks of the struggle. Organization, enlightenment and struggle are here not separate, mechanic and also temporarilly disjointed factors, as in the case of a blanquist movement, but are only different sides of the same process. On the one hand--apart from general principles of the struggle--there is no detailed, ready-made fighting tactic established in advance and in which the party membership could be drilled by a central committee. On the other hand, the process of struggle which shapes the organization leads to a constant fluctuation of the party's sphere of influence.

It follows that social-democratic centralization cannot be based on blind obedience, on mechanical subordination of the party fighters to their central authority; and, furthermore, that no absolute partition can be erected between the nucleus of the class conscious proletariat already organized into fixed party cadres and the surrounding element engaged in the class struggle but still in process of class enlightenment. The setting up of the central organization on these two principles

on the blind subordination of all party organizations, with their activity, down to the least detail, under a central authority which alone thinks, acts and decides for all, and on a sharp separation of the organized nucleus of the party from the surrounding revolutionary milieu, as championed by Lenin--appears to us for that reason as a mechanical carrying over of the organizational principles of the blanquist movement of conspiratorial circles onto the social-democratic movement of the working masses. And Lenin himself has perhaps characterized his standpoint more keenly than any of his opponents could do, in that he defines his "revolutionary Social Democrat" as the "Jacobin linked with the organization of the class-conscious workers". As a matter of fact, however, the Social Democracy is not linked or connected with the organization of the working class, but is the movement of the working class itself. Social-democratic centralism must therefore be of essentially different construction from the blanquist. It can be nothing other than the imperious coordination of the will of the enlightened and fighting vanguard of the workers as contrasted with its different groups and individuals; this is, so to speak, a "self-centralism" of the leading element of the proletariat, the majority rule of that element within its own party organization.

Just from looking into this true content of social-democratic centralism, it becomes clear that the necessary conditions for such a thing are not yet fully realized in Russia, These conditions are, in the main, the presence of a considerable element of proletarians already schooled in the political struggle and the possibility of giving expression to its maturity through the direct exercise of influence (at public party congresses, in the party press, etc.).

It is clear that this latter condition can only be created with the advent of political freedom in Russia. The former condition, however,--the forming of a class-conscious, competent vanguard of the proletariat,--is only in course of achievement and must be regarded as the primary purpose of the next agitational and also organizational work.

All the more surprising is the effect produced by the opposite assurance of Lenin, according to which all the preconditions for the carrying out of a great and highly centralized labor party are already present in Russia. And he betrays once more a much too mechanical conception of social-democratic organization in optimistically proclaiming that even now it is "not the proletariat but a great number of intellectuals in the Russian Social Democracy who lack self-training in the spirit of organization and discipline". The 'discipline' which Lenin has in mind is impressed upon the proletariat not by any means merely by way of the factory, but also through the whole mechanism of the centralized bourgeois State. However, it is nothing short of an improper use of slogans to denote equally as 'discipline' two such opposed concepts as the willlessness and thoughtlessness of a four-legged and many-armed mass of flesh which performs mechanical movements to the accompaniment of the baton and the voluntary coordination of conscious political actions on the part of a certain social element; the lifeless obedience of a governed class and the organized rebellion of a class struggling for its liberation. It is not by adding on to the discipline impressed upon it by the capitalist State--with the mere transfer of the baton from the hand of the bourgeoisie into that of a social-democratic central committee--but by the breaking up and uprooting of this slavish spirit of discipline, that the proletariat

can be prepared for the new discipline, the voluntary self-discipline of the Social Democracy.

If we seek to solve the question of forms of organization, not by way of the mechanical transfer to Russia of inert patterns from Western Europe but through the investigation of the given concrete relations in Russia itself, we arrive at a quite different conclusion. To say of opportunism, as Lenin implicitly does, that it goes in for any one certain form of organization--say for decentralization--is at any rate to mistake its inner nature. Being opportunistic as it is, the only principle of opportunism, even in questions of organization, is - the lack of principles. It always selects its means according to circumstances, with reference to the degree to which those means promote its ends. But if, like Lenin, we define opportunism as the endeavor to paralyze the independent revolutionary movement of the proletariat in order to make it serviceable to the lust for ruling on the part of the bourgeois intelligentsia, one can only say that this purpose can be most readily attained, in the initial stages of the labor movement, not through decentralization but precisely by way of strict centralism, by which the proletarian movement, still unclear in its aims and methods, is turned over, bound hand and foot, to a handful of academic leaders.

Even from the standpoint of the fears entertained by Lenin, that is, the dangerous influence of the intellectuals upon the proletarian movement, his own conception of organization constitutes the greatest danger for the Russian Social Democracy.

As a matter of fact, there is nothing which so easily and so surely hands over a still youthful labor movement to the private ambitions of the intellectuals as forcing the movement into the strait-jacket of a bureaucratic centralism, which debases the fighting workers into a pliable tool in the hands of a 'committee'. And, inversely, nothing so surely preserves the labor movement from all opportunistic abuses on the part of an ambitious intelligentsia as the revolutionary self-activation of the working masses, the intensification of their feeling of political responsibility.

And, in fact, the very thing which Lenin see as a specter today, may easily turn tomorrow into a palpable reality.

Let us not forget that the revolution which we see in the offing in Russia is not a proletarian but a bourgeois revolution, which will greatly change the entire scenery of the social-democratic struggle. Thereupon the Russian intelligentsia also will quickly absorb a strongly pronounced bourgeois content. Whereas today the Social Democracy is the only leader of the Russian working masses, on the morning after the revolution the bourgeoisie, and in the first instance its intelligentsia, will seek to convert these masses into a pedestal for its parliamentary rule. Now the less scope there is given in the present period of the struggle to the self-activation, to the free initiative, to the political sense of the awakened element of the working class, and the more that element is politically bell-wethered and drilled by a social-democratic central committee, the easier will be the game of the bourgeois demagogs in the renovated Russia and the more will the results of the current efforts of the Social Democracy turn to the advantage of the bourgeoisie.

On the other hand, it is a thoroughly unhistorical illusion to think that the social-democratic tactic in the revolutionary sense canbe established in advance once for all time, that the labor movement can be preserved once for all from opportunistic side-leaps. To be sure, the Marxian doctrine provides effective weapons against all basic types of opportunistic thought. Since, however, the social-democratic movement is in fact a mass movement and the dangers by which it is menaced do not spring from human heads but from the social conditions, opportunistic strayings cannot be guarded against in advance; they must be overcome through the movement itself--of course, with the aid of the weapons supplied by Marxism--after they have assumed a definite shape in the course of experience. Regarded from this point of view, opportunism too appears as a product of the labor movement itself, as an unavoidable factor of its historical development. Precisely in Russia, where the Social Democracy is still young, and the political conditions of the labor movement are so abnormal, opportunism might very well at present spring largely from this source, from the unavoidable groping and experimenting in matters of tactics, from the necessity of bringing the present struggle into harmony with socialist principles in quite peculiar and unexampled relations.

But if that is so, one must marvel all the more at the idea that the rise of opportunistic tendencies can be forbidden in the very beginnings of a labor movement by means of this or that form of rules of organization. The attempt to ward off opportunism by such scraps of paper can, as a matter of fact, do no harm to opportunism but only to the Social Democracy itself, and, by restraining within the party the pulsing of a healthy blood, weakens its powers of resistence not only against opportunistic currents, but also--a thing which after all might be of some importance--against the existing social order. The means turns against the end.

In this frightened effort of a part of the Russian Social Democracy to preserve from false steps the aspiring labor movement of Russia through the guardianship of an omniscient and omnipresent central committee we seem to see also the same subjectivism involved by which socialist thought in Russia has frequently been imposed upon in the past. Amusing, in truth, are the somersaults which the revered human subject of history loves to perform at times in his own historical process. The ego which has been beaten down by Russian absolutism takes revenge by setting itself on the throne in its revolutionary thought-world and declaring itself omnipotent--as a conspiratorial committee in the name of a non-existent "popular will". The 'object' shows itself stronger, however: the knout soon triumphs, in that it proves itself to be the 'legitimate' expression of the given stage of the historical process. Finally there appears on the scene, as a more legitimate child of the historical process--the Russian labor movement, which makes a splendid beginning to shape, for the first time in Russian history, a real popular will. Now, however, the ego of the Russian revolutionary quickly stands on its head and declares itself once more to be an almighty ruler of history--this time, in the direction of the social-democratic working masses. In so doing, the bold acrobat overlooks the fact that the only subject to which this role has now fallen is the mass-ego of the working class, which everywhere insists on venturing to make its own mistakes and learning historical dialectic for itself. And by way of conclusion, let us say openly just to ourselves:Mistakes which a truly revolutionary labor movement commits are,in historical perspective,immeasurably more fruitful and valuable than the infallibility of the very best "central committee."

II.

Dictatorship of the Party or Dictatorship of the Proletariat(*).

The implicit presupposition of the dictatorship theory in the Lenin-Trotskyist sense is that the socialist overthrow is a matter for which there is a ready-made recipe in the pocket of the revolutionary party, which has only to put it into practice vigorously. That is unfortunately--or otherwise, if you will--not so. Far from being a sum of ready-made prescriptions which have only to be applied, the practical realization of socialism as an economic, social and legal system is a matter which lies completely veiled in the fog of the future What we have in our program is only a few big sign-posts which show the direction in which the measures must be sought, and mainly of a negative character. Thus we have an idea as to what must be shoved aside in the very first instance in order to clear the way for the socialist economy; but as regards the nature of the thousand concrete practical matters to be dealt with in order to introduce the socialist principles into economics, law and all social relations,-on those points no enlightenment is furnished by any socialist party program or by any socialist textbook. That is no defect, but the superiority of scientific socialism over the utopian brand: the socialist system of society can only be an historical product, arising from its own school of experience, in the hour of fulfillment, from the course of living history which, in precisely the same way as organic nature, of which in the last instance it is a part, has the lovely caprice of bringing forth, together with the genuine social need, also the means for its satisfaction, and with the problem also the solution. If that is so, however, then it is clear that socialism, from its very nature, is not susceptible of being imposed, or introduced by decree. It has as a prerequisite a series of violent measures--against property, etc. The negative part, the work of tearing down, can be decreed; the building up, the positive part, can not. This is new territory, with a thousand problems. Only experience is capable of correcting mistakes and opening new paths. Only unrestrictedly flowing life hits upon a thousand new forms, makes improvisations, contains creative power, itself corrects all blunders. The public life of the nations with limited freedom is so needy, so poor, so schematic, so unfruitful for the very reason that by excluding democracy it bars the living springs of all spiritual wealth and progress. The whole mass of the people must participate; otherwise, socialism is decreed, imposed from the green table of a handful of intellectuals.

Unconditional public control (according to Lenin's own words) is necessary. Otherwise the exchange of experiences remains only in the closed circle of the officials of the new regime. In place of the representative bodies arising from universal suffrage, Lenin and Trotsky have proposed the soviets as the only true representation of the working masses. But with the suppression of the political life throughout the land, the life of the soviets also must grow more and more paralyzed. Without general elections, unrestricted freedom of the press and of assembly, free conflict of opinion, life dies out in every public institution, becomes a mere semblance of life, in which the bureaucracy remains alone as the active element. No one can evade this law. The public life gradually falls asleep, a dozen party leaders of inexhaustible energy and boundless idealism direct and govern. Among these, the actual leadership is exercised by a dozen preeminent brains,

(*) Extract from Rosa Luxemburg's "The Russian Revolution".

and a selected group of the workers is invited to meetings from time to time to applaud the speeches of the leaders, and to approve by unanimous vote the resolutions laid before them. What we have, then, at bottom, is a clique economy--a dictatorship, to be sure, but not the dictatorship of the proletariat. Rather, the dictatorship of a handful of politicians, that is, dictatorship in the bourgeois sense, in the sense of the Jacobins--in a word, ruling (increasing the interval between the soviet congresses from three to six months!). And what is more:such conditions must be a symptom of the barbarization of the public life.

The basic error of the Lenin-Trotskyist theory is simply this:that they set dictatorship, just as Kautsky does, over against democracy. "Dictatorship or democracy"--that is the question both for the Bolsheviks and for Kautsky. The latter decides, naturally, for democracy, and for bourgeois democracy at that, since he views it precisely as the alternative to the socialist overthrow. Lenin and Trotsky decide, inversely, for dictatorship in opposition to democracy and, in so doing, for the dictatorship of a handful of individuals, that is, for dictatorship after the bourgeois fashion. Two opposite poles, both equally far removed from the true socialist policy. When the proletariat seizes power, it can never more follow Kautsky's advice and renounce the job of carrying through the socialist transformation, under the pretext of the "unripeness of the country", and devote itself merely to democracy, without committing treason to itself, to the International and to the Revolution. It is bound to and must without delay, in the most vigorous, unwavering and thorough-going manner, take socialist measures in hand, hence exercise dictatorship--but dictatorship of the class, not of a party or clique; dictatorship of the class, i.e. in the broadest publicity, with the active participation of the masses, in unlimited democracy. "As Marxists, we have never been idolaters of formal democracy," writes Trotsky. Certainly, we have never been idolaters of formal democracy. Nor have we ever been idolaters of socialism or of Marxism. Does it follow that we are entitled to throw socialism, Marxism, onto the scrap-heap when we find it uncomfortable? Trotsky and Lenin are the living negations of this question. We have never been idolaters of formal democracy; which simply means that we have always distinguished the social kernel from the political form of bourgeois democracy; we have always uncovered the bitter kernel of social inequality and constraint under the sweet shell of formal equality and freedom--not in order to reject these latter, but in order to urge the working class not to content itself with the shell but rather to win the political power in order to fill it with new social content. It is the historical task of the proletariat, when it comes to power, to create in the place of bourgeois democracy, socialist democracy, not to do away with democracy itself. Socialist democracy begins, however, not in the promised land after the substructure of socialist economy has been formed, as a ready-made Christmas present for the good people who in the meanwhile have loyally supported the handful of socialist dictators. Socialist democracy begins simultaneously with the tearing down of class rule and the building up of socialism. It begins with the seizure of power, it is nothing else than the dictatorship of the proletariat.

Yes, dictatorship! But this dictatorship consists in the manner in which democracy is employed, not in its abolition; in vigorous, decided intrusions into the well-established rights and economic relation

of bourgeois society, without which the socialist overturn cannot be actualized. This dictatorship must be the work of the class, and not of a small minority in the name of the class; that is, it must proceed at each step with the active participation of the masses, be subject to their direct influence, stand under the control of unlimited public opinion, proceed from the growing political education of the masses.

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to one is an injury to all".

The elemental character of the movement which swamped the Knights of Labor is borne out by the membership figures during the growth and decline of the eight-hour agitation. For this period the membership figures for the Knights of Labor and the A.F. of L. were:

Yr.	1881	1882	1883	1884	1885	1886	1887	1888
K.ofL.	19,422	42,517	60,811	104,066	702,924	510,351	259,578	220,607
A.ofL.	40,000	65,000	76,000	105,000	125,000	138,000	160,000	175,000

The slow but steady growth of the A.F. of L. shows the substantfal development of a movement of skilled workers, whose preferred position was not conducive to radical, revolutionary sentiment. They had banded together to take advantage of that position to secure further concessions - concessions that an expanding capitalism could well afford to grant. As they consolidated their position they became less inclined to risk it on any "wild revolutionary or socialist schemes".

America, the growing industrial giant, presented certain conditions that constantly frustrated a revolutionary labor movement. The continuity that characterized European movements was absent here. The possibility of rising into the petty bourgeoisie, of becoming farmers, etc., coupled with recurring crises of a violent character submerged completely recurrent labor organizations. Added to this the comparative scarcity of skilled labor in the United States enabled the latter to enjoy a standard of wages and living much higher than the unskilled or any of the European workers could boast of. The violent recurring strikes of the unskilled workers imposed sacrifices on the skilled which the latter were unwilling to make.

The American Federation of Labor represented above all things the effort of the skilled labor aristocracy to break away from the lower strata of labor. They were unwilling to submerge their interests to those of the whole. They wanted to occupy a preferred seat at the capitalist table at the expense of their less fortunate fellows.

Thus, while the growth of the A.F. of L. was slow, it was predicated virtually upon a property interest. Its growth was more substantial, making up in essence what it lacked in numbers. The Knights of Labor disappeared from the field. The eight-hour movement, fought courageously by the rank and file and betrayed miserably by the leaders came to a bloody conclusion in the murder of the Haymarket "Anarchists "; but the A.F. of L. succeeded in keeping its hands unsullied by any radical activity at that time.

By 1894 Eugene Debs had organized the American Railway Union and in the Pullman strike of that year the class struggle flared anew, only to be suppressed with federal troops. The A.F. of L. repudiated the A.R.U. strike.

The Western Federation of Miners at this time developed a militant movement which broke away from the A.F. of L., and by 1905 resulted in the organization of the I.W.W. Until shortly before the world war the I.W.W. represented the best and most militant elements of the labor movement.The ignored and submerged unskilled workers saw reason

for new hope, but the A.F. of L. kept its hands off except where it was possible to break "Wobbly" strikes and assist vigilante mobs in lynching-bees.

When the United States entered the world war, the A.F. of L. entered into an industrial peace pact with the master class and concentrated on sending American workers into the European slaughter. The I.W.W. was destroyed; its leaders sent to jail by the hundreds, and the A. F. of L. exulted with the rest of the jingoes at 20 year sentences handed out to "Wobbly" organizers.

With the close of the war, the revolutionary upsurge in Europe had its reflex in America in the growth of radical sentiment. Heeding reluctantly the insistent demands from below, the A.F. of L. entered upon a campaign to organize the steel industry. The steel workers responded enthusiastically only to be attacked on two fronts - by the forces of the national, state and local governments, and by the old-line A.F. of L. union of skilled steel workers, the Amalgamated Association of Iron, Tin and Steel Workers, who sabotaged the strike to the extent of scabbing. Jurisdictional disputes between the affected crafts played a good part in making the strike ineffective. The strike was lost.

When the present depression broke, the A.F. of L. had no plans to offer. The bureaucracy at the top was out of touch not only with the broad masses, but it was out of touch with its own membership as well. Its membership fell off. Already the possibility of complete collapse appeared when Roosevelt II saved the tottering structure. The decline in membership had been going on at a terrific pace. Dropping from four million members in 1920, it declined to two and one-half million by 1932. But with the help of the NRA, workers were again herded into the A. F. of L.

The president's attitude may have been surprising, but there was nothing extraordinary about his action in view of the conditions. The world chaos threatened by the never-ending depression left its mark on American politics as it did on thos of Europe. The capitalists of the world are preparing for two eventualities - war and revolution. In each country they prepare for this in their own way: Italy with Mussolini, Germany with Hitler, and the United States with Roosevelt and NRA. The differences of approach and method do not alter the fundamental nature and purpose of this movement. In each case the capitalist class of each country consolidates its forces against the coming war and revolution, and in each case that process of consolidation may accurately be called the process of fascization. This process calls for the utmost concentration of the forces of the national capitalist class as a whole. This accounts for its nationalism. Individualistic and reckless capitalists must be curbed, subordinated to the interests of the whole class; thus the socialism of fascism.

The workers must be controlled or their organizations destroyed, - and since working class organization can never be entirely destroyed under capitalism, machinery is set up to control them. Here the A.F. of L. presents itself, offers itself as the willing and eager henchman of capitalism. No doubt even it will become superfluous or bothersome, or too ineffective in time to be of further use to the masters.

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But at this time it is usable. Mr.Roosevelt holds out glowing vistas to the labor skates. Their mouths water as they peer into the promised land. Only one cent per month per member flows into the A. F. of L. treasury from members of affiliated international unions. But here is a chance to organize the unskilled into "federal Unions" paying 35¢ a month per capita, and the president had practically told them to go ahead and organize to their hearts' content.

Roosevelt's friendly smile and naive radio talks might indicate the good natured clown, but his policies are those of a far-seeing capitalist who uses all methods necessary to prolong the existence of the present order. In this period of chaos and collapse, the most exploited and starving layers of the working class form a distinct menace of revolution. He hands out relief to the starving and lets the A.F. of L. take care of the exploited. The unskilled are to be herded into the A.F. of L. AND KEPT IN CHECK THEREBY.

The labor skates have delivered. They throttled the militant miners in the East. They surrendered to the steel industry; they scotched an attempt at an automobile industry strike and joyously broke the 'Frisco general strike from within.

With a reactionary history to its credit, a form of organization susceptible to no changes, an officialdom so firmly intrenched as to be immovable, a rank and file that is either impotent or as reactionary as its leaders, the A.F. of L. at this time is much too useful to the master class to be discarded. It is expected to fulfill the work in America of the Nazi "labor front" in Germany, and so far it has realized all the hopes Roosevelt placed in it. Its job is to prevent strikes, to regiment and curb the workers, to duplicate the Fascist labor organizations of Europe.

General strikes are not a part of Fascist routine. So a question whether the A.F. of L. will initiate a general strike movement in 1935 is indeed laughable.

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overthrowing Czarism and doing away with the vestiges of feudalism in Russia, thus preparing the way for an unrestricted state-capitalist development.

It has been the misfortune of Mattick personally--apart from the circumstance that he brought with him from Germany a philosophic mind and style--that his work is directed to breaking down these illusions and prejudices and to "cleansing Marxism from the filth of epigonity. He recognizes that Marxism in its pure and original form was impossible of application during the upgrade period of capitalism; that i was necessarily adapted to suit the needs of the governing bureaucracy of the old labor movement, and that it is only now, in the"permanent crisis" when the objective conditions are ripe for the overthrow of capitalism, that it is really possible for Marxism to come into its own. Which is merely another manner of saying that Marxism can be actualized only through the revolutionary proletariat in the act of throwing off the fetters of capitalism.Mattick accordingly rejects all forms of marxian 'orthodoxy', including particularly those associated with the names of Lenin and Kautsky. Yet, he is an 'orthodox' Marxist himself--but with a difference. In the first place, he makes a distinction between mere lip-service to Marxism, or the use of revolutionary phrases to conceal reformist or counter-revolutionary practice, on the one hand, and the practical application of marxist principles in the proletarian struggle against capitalism on the other. And secondly, to him, as to George Lukacs, orthodox Marxism "does not mean an uncritical acceptance of the results of Marx's investigations, does not mean a 'belief' in this or that thesis, nor the exegesis of a 'sacred book'. Orthodoxy in questions of Marxism relates rather exclusively to the method. It is the scientific conviction that in dialectical Marxism the correct method of investigation has been found, that this method can be developed, extended and deepened only in the sense of its founder, and that all attempts to overcome or 'improve' it have led, and necessarily so, merely to flatness, triviality and eclecticism".

Such a view of orthodoxy enables Mattick to be the most uncompromising of Marxists, and at the same time one of those who are least hampered by traditions. He recognizes the historical character of all the traditional forms of the labor movement, inclusive of parliamentarism and the political party. The political party, for instance, is just an expression of formal democracy--one which will be permitted to function only so long as the bourgeoisie can afford so much leniency--but the revolution itself, under modern conditions in highly developed capitalist countries, "is not a party matter, but the affair of the class" (of the proletarian class, be it understood, and not of a proletarian-peasant alliance such as was indispensable to the overthrow of Czarism). All expressions of "formal democracy", inclusive of labor organizations, become more and more intolerable to the bourgeoisie in the permanent crisis, when the continued existence of capitalism depends on a perfectly smooth functioning of the economic organism; but the class struggle itself cannot be suppressed--it is simply obliged to assume new forms adapted to the new conditions. These new forms are essentially embraced in the workers' councils (soviets), led by committees of action--that is, under the direct control of the workers themselves, hence not dependent upon the existence of parties, not subject to the personal sway of professional "labor leaders", but functioning over the heads of all

parties and bureaucracies and hence capable of effecting a real united front and waging a really common struggle against capitalism in its final and more or less 'fascist' form.

Ever since fascism first made its appearance in Italy, shortly after the War, and particularly since the rise of Hitler in Germany and the suppression of the Social Democracy in Austria, a reorientation of the labor movement has been under way. In this process are revealedtwo opposite tendencies. One is headed in the direction of compromise with capitalistic prejudices, abandonment of revolutionary principles and winning the middle classes, as best illustrated in this country by the recent "American Workers' Party".(now combined with the Communist League to form the "Workers Party"). The other sees in the proletariat itself the only reliable instrument of the communist revolution and avoids all compromise with revolutionary principles as merely calculated to throw confusion into the ranks of the workers. It is that latter position which is represented by Mattick, in harmony with the "United Workers' Party" of America and the "Groups of International Communists" of the various countries throughout the world. It is essentially the same position as that combatted by Lenin under the name of Left Communism--a position which, from the point of view of the Russian Revolution, with its petty-bourgeois and jacobinical ideology, was naturally anathema at the time to any Bolshevik--as it was also to Noske and Ebert-- but which from the international proletarian point of view is revealing itself as the one truly revolutionary force in contemporary society.

In the present pamphlet, "The Inevitability of Communism," as well as in various other writings, such as his critique of the American Workers Party (*), Mattick has taken pains to show the disastrous consequences of the compromising attitude and of the reformist position in all its phases. He understands that fascism itself is merely an Ablenkungsmanoever, an attempt to mislead the workers by the use of pseudo-revolutionary or at least pseudo-radical phrases, as illustrated in the Hitlerian "National-Socialist German Labor Party." Fascism has copied the tactics of the bolshevik movement in Russia and of the national bolshevik parties controlled by the Third International. Fascism too pretends to be aiming at a form of "socialism", that is, state capitalism, which generally passes for socialism not only among the workers and petty-bourgeoisie but even among the so-called socialists themselves. What wonder, then, that the workers turn to fascism--a form of 'socialism' which can be introduced by the simple process of voting, without the necessity of a revolution with all its unpleasant connotations. Thus when the members of the reformist, petty-bourgeois parties--a term which includes even the self-styled revolutionary political parties--reproach the workers with being stupid, they fail to consider that these parties themselves are largely responsible for that 'stupidity', in that they put reformist notions into the heads of the workers and fail to make a clear-cut distinction between capitalism (in its fascist form)and communism (as conceived by Marx, the "society of free and equal producers"). Thus reformism in its various aspects, including participation in capitalist politics, leads logically to fascism, and all the reformist parties (regardless of their revolutionary phrases or intentions) will be forced in the end either to capitulate to fascism or be suppressed by it--or even both at the same time, as in

(*) "One Step Forward,Two Steps Backward".-The Modern Monthly,Dec.1934

the case of the German C.P., which had lost all revolutionary character and become almost as fascist as the Nazis, but whichnevertheless has to be swept aside as unadapted, or at least less adapted than Hitler's party, to the needs of the bourgeoisie in the permanent crisis.

These two opposed tendencies in the labor movement imply, of course, differences in theoretical base, involving questions not merely of psychology but of philosophy and economics. The reformist position is essentially opportunistic and undialectical. It is accordingly superficial, content with momentary successes, however won and with the aid of whatever elements, without regard for ulterior effects on the revolutionary movement and the form of society resulting from it. It fails to see in the capitalistic relations themselves and in the growth of the forces of production (in particular, the growth of the proletariat) the circumstance which makes the eventual triumph of communism inevitable, however long that triumph may be postponed by fascism and other varieties of reformism. On the other hand, the truly revolutionary tendency, which sees in the proletariat itself the antithesis engendered by capitalism, and in communism the synthesis resulting from this antagonism, is not concerned with catering to the petty-bourgeoisie but with developing the strength and the consciousness and the self-confidence of the workers, so that these latter will be capable of <u>leading</u> the petty-bourgeoisie instead of being led by it. In other words, as Mattick makes plain in the concluding sections of his work, it is not so much a question of 'educating' the workers in communist ideology, but one of developing their militancy. Education, in the sense in which the word is employed by Sidney Hook and on which he lays so much stress--in common, we might say, with socialists and reformists generally--is a matter in which the capitalists, so long as capitalism endures, will always have the advantage, if not practically a complete monopoly. The great mass of the workers, under capitalist conditions, cannot be reached by education at all; and hence to depend upon education and propaganda as the main forms of pre-revolutionary activity is merely to play into the hands of the reactionaries by indulging the sort of illusions characteristic of the socialists, who hold that nothing can be done about a new state of society until they have convinced enough people of the desirability of socialism to vote the socialist ticket into office. But to promote the militancy and self-confidence of the workers, even to the exclusion of communist ideology and what is generally referred to as class consciousness in its more intellectual form, is to make the collapse of capitalism inevitable in the shortest possible space of time. Their economic struggles under existing conditions naturally tend to assume a political form and acquire a revolutionary character; the workers may not be Marxists or conscious revolutionists while engaged in these struggles, but, as Mattick says, "the revolution <u>makes</u> them Marxists."

NO attempt will be made in this brief review to indicate the wealth of theoretical material which Mattick brings to the support of his views. Our aim is merely to point out the revolutionary significance of his work and to suggest the manner in which it differentiates itself from the 'orthodox' and all forms of 'vulgar' Marxism. The pamphlet was written mainly as a reply to Sidney Hook's book "Towards the Understanding of Karl Marx" which is perhaps the one distinctively american contribution to Marxism which could be named as in any

sense worthy of such a critique. Mattick and Hook are, of course, in agreement on many specific points(omitted as obvious in the present pamphlet), and their differences are sometimes more a matter of emphasis than of fundamental opposition. But Hook, in common with all the other people who have tried to "make sense of Marx" has, we think Mattick clearly shows, merely succeeded in reducing what is essentially science to the 'common-sense' level of understanding and not only abandoned Marxism himself but made it all the easier for liberals and 'nice people' generally to feel that they were perfectly justified in never concerning themselves with the matter or never taking it seriously if they did. Mattick reveals that Marx is more modern than all his critics, whether of the pseudo-scientific radical camp like Max Eastman, or of the purely liberal type like Stuart Chase. Marx is not only the symbol of revolution, which is the only present alternative to world-wide fascism; he is also the man who has provided the most profound understanding of capitalist society, and that insight into economic laws and the movement of social classes which is the only sure guide to pursuing a really radical course of action under capitalism in its stage of decline. And Mattick, in spite or because of his comparative youth, has brought into marxist theory and the political labor movement a freshness of insight and depth of understanding gained in the course of years of experience here and abroad and hitherto lacking in this country.

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DANIEL DE LEON

BY-KRISTEN SVANUM

There has of late been a tendency by intellectuals who during the present crisis have discovered the revolutionary movement to join with the Socialist Labor Party in its cult of Daniel De Leon. While these intellectuals remain very skeptical towards the S.L.P. they wax quite lyrical about the revolutionary abilities and potency of De Leon even going so far as to name him an or the American Marx or Lenin. This is quite unjust to the S.L.P. that has ceased to be a factor in the revolutionary movement due to its devotion and loyalty to the theories and personality of De Leon. Such injustice is, of course, a matter of small importance but a distortion of revolutionary theory making a Marx or Lenin out of such sheddy material as De Leon is much more serious; not because De Leon's importance in American revolutionary tradition is heavy enough to allow a reinterpretation of his theories and activity to have any influence on the class struggle, but because it is an index of the confusion existing in revolutionary theory, and if not countered by a correct analysis is a contributary cause towards making confusion twice confounded.

Frederich Engels' conception of De Leon must have been quite different. When Lucien Sanial and De Leon visited him in England, his sole comment to a friend in the United States was, "they did not impress me much."

The alleged greatness of De Leon is usually based on his conception of industrial unionism and his uncompromising stand against any reformist compromise. It is unfortunate for the former premise that the refusal of the credentials committee to seat him at the 1908 convention of the I.W.W. was due to the fact that he was a member of, and a delegate from, a craft local (the clerical workers) and had consistently refused to transfer to an industrial union local in spite of the insistence of the General Executive Board of the I.W.W. that he do so. During the discussion of the credentials committee's report, in which De Leon was permitted to participate, it was brought out by

De Leon himself that this was to him not just a question of expediency - preference for representing a numerically stronger local - but of principle, i.e. that according to De Leon the organization of industrial unions should commence with the organization of craft locals.

This attitude of De Leon amounted, in practice, to demanding that the I.W.W. retrace the steps of the A.F. of L. before starting out on its own proper career, and was the decisive factor swinging many of De Leon's former supporters against him. As Tom Powers, a delegate from New England, put it: "No one but De Leon himself could convince me that De Leon does not understand industrial unionism, - but he has done it."

The idea prevalent that it was the political action clause that was the issue of this convention is merely a deduction from the fact that after the withdrawal of the De Leon supporters from the convention, the political clause was struck from the I.W.W. preamble; but this was merely a result of the anti-political faction being in control after the withdrawal of the De Leonites, not the cause of this withdrawal.

De Leon's second claim to revolutionary fame is even more shaky; to examine it, it is necessary to go back to the time of his entrance in the S.L.P., and the discussion then raging on the "who pays the taxes" problem. On this question, De Leon and his supporters held that the workers do not pay any taxes. This stand was superficially considered more revolutionary. When the opposing faction contended that the question of taxes should furnish one of the main planks in the party's platform and be considered separately, any revolutionist must agree with De Leon that this was only a red herring to draw the workers off the revolutionary trail; but, when examining the grounds on which the De Leonites took this stand, the question then assumes a sinister significance.

De Leon's argument was that under capitalism wages are determined by the law of value of labor power. The workers are therefore unable to improve their conditions under capitalism, and vice versa the capitalists are unable to cut their wages, the law of value overriding all such subjective notions. From a theoretical point of view, this is changing the Marxist conception of the class struggle into a conception of society as ruled by "iron immutable" laws. This is not dialectic materialism, but metaphysical materialism; not the Marxist conception of historical materialism, but the bourgeois conception of economic determinism. It is a complete repudiation of the subjective factor, reducing the human element in the class struggle to nothing; reducing social science to the same elements as natural science. In practice, it means the cessation of all struggle except the struggle with immediate revolutionary results. This degrades the revolution to the level of a miracle; for if the wage level is decided by factors outside the determination of capitalists and workers both, then the struggles, whether defensive or offensive, about wages, hours, etc., must be just that much waste of effort.

Incredible as this may seem, this was the attitude of De Leon; and this is the attitude of the S.L.P. today. The position, briefly stated, is this: nothing short of a revolution can improve the position of the working class. The two methods for accomplishing this were,

according to the S.L.P., political and economic action, but these two concepts were narrowed down to become mere shadows of their original selves.

political action was, in the main, defined as parliamentarism; but a stern attitude was taken against the Socialist Party program of reforms to be gained by such methods. Elections were simply thermometers registering the "revolutionary temperature". When the proper degree, a majority vote, was gained, the workers would assume power but not through their elected parliamentary representatives.This task was left to their economic organizations: the industrial unions. What were these unions in the meantime to do? Merely organize and keep ir readiness for their historical mission? A program as narrow as this can, of course, not be carried through with perfect consistency; but the S.L.P. came very close to this "ideal". On the whole, S.L.P. candidates have honestly set forth at elections that, if elected, they could accomplish nothing; so, too, the W.I.I.U. organizers hold that unions can accomplish nothing for the workers. The result has, of course, been that there has been very little response from the mass of the working class. Only those very susceptible to revolutionary propaganda can respond to a message as severely academic as this. The only measure of success that the S.L.P. has been able to gain has therefore been to isolate within its ranks a small number of people highly susceptible to revolutionary propaganda, and thereby to restrain them from actively participating in any mass struggle.

Corresponding to these theoretical and strategical shortcomings is an equal deficiency in tactical principle. De Leon's opposition to the anti-political faction with the I.W.W. was not an opposition to opportunism and compromise, but against the "advocates of physical force". To his notion, political (read parliamentary) actionplus industrial unionism made any actual physical struggle unnecessary. The class struggle could therefore be carried on "on the civilized plane" with peaceful electioneering, organization and propaganda work. De Leon's tactical principle therefore became an extreme of legalism and pacifism, and anyone failing to worship these fetiches were simply branded as "enemies of the working class" and agents provocature.

The functions of a revolutionist joining the S.L.P. and adhering strictly to De Leon's principles were limited to a narrow sort of propaganda with no practical participation in the daily struggles of the workers, nay even disdaining these struggles and deprecating the necessary outbursts of violence of an offensive or defensive character incidental to them. The theoretical, strategical and tactical principles advocated by De Leon thus made revolutionists coming under their influence not only abstain from participation in the actual class struggle, but even made them into a counter-revolutionary force trying to canalize the spontaneous struggles of the workers into sterile channels.

The functions of a revolutionary movement is, of course, extremely limited. It does not furnish the motive power of the social revolution but only gives direction to it, and this even within narrow limits. The working class would, even if no revolutionary movement existed, revolt against the oppressive conditions that the capitalist system imposes on it. In the absence of a revolutionary movement such revolts would be empirical, tentative, blundering. The revolutionary

movement furnishes not only a record of such revolts, but, by analysis, establishes not only a connection between them by linking them historically to the past and discerning the relationships between the apparently disconnected struggles of the present, but, more important yet, sees the aim towards which the struggle is leading.The revolutionary movement is thus the central sensory and reasoning apparatus of the working class. And as it is impossible for a man to add an ounce of power to his bodily strength by the use of his mind and senses, so it is likewise impossible for the revolutionary movement to increase the revolutionary force of the working class. But a well-trained mind and perfect coordination of nerve and muscle cannot only utilize the muscular power of a man to ever better advantage, it can even, over a period of time, by suitable training increase bodily strength until tasks hitherto impossible can be conquered. It is likewise impossible for the revolutionary movement to accomplish any immediate increase in the revolutionary force of the working class.What is can do is to lead it into the most useful channels and thereby increase its effectiveness; to change it from a blind, instinctive, spontaneous, into a conscious, reasoned, deliberate struggle, not only for immediate redress of grievances but showing a path to the final aim - the rule of the working class as a transition to a classless society. Under such direction the revolutionary force of the working class would not only be better utilized, but would grow by continuous and rational exercise until it became adequate for its final aim.

De Leon's theory declared the actual class struggle senseless. His strategy would turn it into useless channels, his tactics would offer it as a sacrifice on the altar of legalism. De Leon never ceased to be a university professor in spirit; practical life had to be simplified into simple abstractions; the class struggle to be conducted within an academic, petty-bourgeois frame-work; and before all, no violence; let us be strictly legal. As all other reformists, he forgot that only one thing can make a revolution legal -- its success.

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- Editorial Committee -

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--*** C. C. C. ***--

CAPITALISM'S CONSERVATION CORPS.

What stamps the C.C.C. as the most unique experiment inaugurated by Franklin D. Roosevelt is the almost total lack of criticism, - both from capitalist political opponents, and even those self-professing "liberals" admitting a "socialistic" taint. For that very reason, the Civilian Conservation Corps demands close scrutiny. Obviously, any innovation that immediately meets with the unqualified approval of ALL the rival capitalist groups bodes no good for the Proletariat.

The C.C.C. was launched amidst the usual fanflare of idealistic catch-phrases. The boys were to be given an opportunity to do useful work in healthful surroundings; God's Own Country - no less! Of greater importance to the members -- so they were gravely informed -- was the chance to regain that most precious of all possessions, their "morale".

Actually, of course, the Administration was moved by more practical motives. First, it was realized these youngsters, jobless and confronted with the ever-mounting misery prevailing in their homes, constituted a potential menace to Society (read: CAPITALIST Society). By draining off these, potentially, most militant elements into the C.C.C. that danger might be averted and the working class, as a whole, thereby weakened. Second, organization and training of the C.C.C. has been so conducted under Regular Army officers as to allow its conversion into a huge army at short notice. (Present 1935 plans call for an enrollment of over 1,000,000 men! Age limits are to be raised to 30 years, and married men are to be accepted.)

Against the second "alleged" motive the argument has been raised that because the members do not drill or engage in other warlike training the government cannot be accused of militarizing the C.C.C. By advancing this "argument", capitalist apologists either reveal their lying hypocritical role, or else betray an utter ignorance of modern warfare and military organization.

Modern industry requires hardly any specialized skill from the laborer, who today merely acts as an adjunct to the machine. Likewise, with modern warfare, one of Capitalism's greatest industries. Here, too, great development in the mechanization and efficacy of weapons has resulted in a lessened demand for specialized skill on the part of the modern soldier. The deadly accuracy of the machine gun has destroyed the old dependency on the closed formation. With the outmoding of this form of organization went the necessity for extensive drilling en masse. Today, soldiers fight in a loose, scattered formation in bodies of about 200 - 250 men under the command of a captain and several lieutenants. Significantly enough, this is the identical form of organization of the C.C.C. camps! Each camp holds from 200-250 men under the command of a commissioned army captain and two lieutenants. In addition, just as in the regular army, there are non-commissioned officers (corresponding to sergeants and corporals) chosen from the ranks of the C.C.C. seemingly, to judge by report, on the basis of physical brutalness and blind obedience in carrying out orders. These

"straw bosses" known as leaders and assistant leaders receive more than the usual $30. per month, - $45. and $36. per month respectively. It is evident then, that providing the men are thoroly disciplined and unquestioningly obedient, they can be quickly whipped into military shape. Arming them with machine guns, skill in using them can be learned in a few hours, would turn the C.C.C. into a first-class army capable of engaging in regular warfare; or, what is more likely in the minds of Roosevelt and his counsellors, capable of combatting a militant working-class!

Only on this basis can the peculiar ideological training the boys have been subjected to, be explained. This explanation, too, furnishes the rational key to the extreme brutality with which, even, minor infractions of the rules have been punished. Both mentally an physically the men are being prepared for the role they are to play.

A thorough "head-fixing" department has been set up in every camp under the guidance of an "educational advisor" The real purpose was blurted out by a naive educational advisor, who, writing in the New York Times (6-3-'34) said: "This lecturing stuff is out! A regular "bull" session will be started on government affairs, national news, and economics." Evidently a form of the Catholic confessional is being introduced into the camps. Any luckless Corps member who unwittingly reveals a lack of faith in the "New Deal" Trinity, Franklin D. Roosevelt, the United States and Capitalism, will be quickly shown his error.

This touching solicitude for what C.C.C. members read and think was demonstrated still further in the banning of the pamphlet "YOU and MACHINES", written expressly for the C.C.C. by Prof. Wm. F. Ogburn of Chicago University. Robt.Fechner in banning the booklet explained that it was not suited for its audience, and that it was just a bit too gloomy, painting too pessimistic picture of our technological future for the laborer. What Fechner actually objected to were certain stray remarks of Prof.Ogburn's that were REVOLUTIONARY in their implication.

Quoting from the pamphlet: "Machines are forcing our institutions to change; but always they lag behind. .. We can't bring back the good old days...Passing laws will never do it...If they want to stop change, they will have to break up the machine, or, better still, poison all inventors...They (Youth) must learn to adjust themselves to the machine..."

Again: "It is generally believed that not more than one person out of every seven persons unemployed in 1933, perhaps not even 1 in 10, had his job taken away by a machine."

What is Prof.Ogburn sketching in the above statement, if not the Materialist Conception of History? True, in a distorted and almost unrecognizable form. BUT, does he not show the futility of patching Capitalism by means of the New Deal in stating: "Passing laws will never do it". (i.e. "..bring back the good old days..."). Furthermore, isn't this an expression of the necessity of REVOLUTION for the further development of the machine (productive forces) and the progressive development of society? No wonder Robt.Fechner banned the pamphlet! No dangerous ideas were going to be put into the minds

of C.C.C. if he could help it! Fechner, a vice-president of the A.F. of L. International Association of Machinists, has been preaching "harmony" between Labor and Capital all his life. To him, capitalist society is eternal and the best of all societies. It HAS been good to him. The job as head of the C.C.C. was his reward for the fine work he performed during the World War "conciliating" Labor to capitalist oppression.

Humorously enough, Dr. Percy Bidwell, editor of the booklet, in defending it, said the author was "a pillar of society" and a man of "tremendous reputation". To no avail, however. Fechner, acting as censor for capitalist society, had to ban the pamphlet even though written by "a pillar of that society."

The administration cannot relax its regime of iron discipline and unquestioning obedience, for that would spell failure in their attempt to build up a large army. On the other hand, members of the C.C.C., not aware that they are actually being moulded into an army, are rebelling against the seemingly unnecessary and excessive discipline. Discipline, that certainly is out of all proportion to the type of work they have been doing: building roads, planting trees, digging and then filling those same holes, etc. As a result of this contradiction, the spirit of discontent is steadily growing and is manifesting itself increasingly in spontaneous outbreaks.

Secretary Dern of the War Department in summing up the achievements of the first year of the C.C.C. (4-16-'34) said: "No group of men understands Youth so well or holds it in greater affection than does the commissioned personnel of the army".

How the commissioned personnel practically display their "great affection" was demonstrated three months later (7-10-'34) by Lieutenant Gatlin at an Oklahoma C.C.C. camp. The Lieutenant, in an exuberance of affection, "attempted to quiet recruits who were reported to have been drinking" by firing once at a group, slightly wounding private Mc Cullough. This individual, not having heard Secy.Dern's report, evidently mistook the Lieutenant's affectionate action and is alleged to have returned the fire , killing him.

As time went on, the reaction to the restrictions and discipline, which in the beginning manifested itself in sporadic and individualistic acts of protest, took on a MASS character, expressing itself in SPONTANEOUS action on the part of WHOLE camps!

Thus, on Nov. 7, 1934, 250 C.C.C. workers (an entire camp) being sent South from their Maine camp to Virginia and Maryland camps, rebelled against this arbitrary , wholesale transfer. They rose in a mass, badly beat up their officers and then locked them in baggage cars! The government then promptly showed that action on the part of workers, however slight, in this period of the Permanent Crisis, the decline of capitalism, will not be tolerated and will meet with the same reception as the action of class-conscious workers in open revolt! In this particular case, 150 policemen were called to the yards and savagely beat up the boys. Had the police failed, the government stood ready to call upon regular troops.

This is even more strikingly shown two months later (1-8-'35) when

the entire camp at South Mountain Reservation, Orange, N.J. gathered before the camp commandant, Captain Tobin, and served notice through a committee that there would be no work unless the 11 o'clock bed time regulation was abrogated. His reply was to order the men back to work under penalty of discharge; 75 complied, the other 125 men returned to their barracks, refusing to work. The good Captain calle upon Park police to escort the "mutineers" from the reservation. Although the boys went peacefully, they were threatened with tear-gas and clubbings from the police. Near Orange, N.J. the 125 workers hel a demonstration and appointed a grievance committee. To newspaper me this committee revealed that besides dissatisfaction with the 11 o' clock rule, the commissioned officers practiced discrimination, and that there was a refusal on the part of the officers to arbitrate (! mistreatment. Evidently, the boys still took seriously the camp school teachings on the glorious "rights" conferred on the workers by the New Deal. They were quickly disillusioned by their own teachers. Captain Tobin and several high ranking officers from the army appeared before the meeting near Orange, made stirring speeches about "duty to their government," etc. etc., and finally ordered the boys back to camp, refusing to meet with the committee. Hemmed in by police, threatened with military law, the boys finally gave in and returned to camp. Capt.Tobin immediately issued a report to the papers stating: "three or four communist agitators had inspired the youths, the situation is now under control". To give the lie to his own words, he immediately "dishonorably" discharged the 12 members of the grievance committee. A regular Catholic Inquisition was then instituted and 28 more "heretics" were uncovered and discharged that evening and the following day. To show his contempt for the boys, the Captain moved up the bed time to 10 o'clock. To a complaint about food, he replied, "The food is the best to be had. I never had anything as good in the army". Evidently he doesn't read the newspapers. For only three months before, the New York Times (8-21-'34) carried an item revealing that 30 C.C.C. members and a Captain's wife and daughter had been stricken with ptomaine poison at Lewes, Del.

Major Morse, who investigated the affair for the government, in his report revealed the same "impartiality and thoroness" that characterizes ALL "New Deal" investigations involving workers. Quoting: "We are not vindictive, we regard the C.C.C. camps as school, not work camps. It is our desire to have you (the members of the camp) return to your homes better citizens". What touching sincerity!

Of great importance to workers in general is the first appearance in this affair of the COMMITTEE of ACTION in embryo. True, it failed in this particular instance; but the fact remains that the C.C.C. workers have discovered that their problems are mass problems, and only as groups , as members of the working class, can their problems be solved. And the form of organization most natural and best suited for this purpose is that which takes the form of the Committee of Action, the only form that cannot be smashed as long as there are workers alive! The only form that can understand their local problem and solve it in conscious action!

Our conclusion (which is almost superfluous) is that as the crisis deepens and the capitalist class forces more and more of the burden of the depression onto the shoulders of the working class, the C.C.C., an integral part of that class, will likewise suffer. Just as the workers will organize in committees of action to gain food, clothing

and shelter, so the C.C.C. will organize in similar groups to combat the ever-tightening bonds of discipline, the attempts on the part of an evermore desperate capitalist class to force them to shoot down their own relatives fighting to live. And in this struggle which MUST culminate in the destruction of capitalist society, the C.C.C. will destroy the necessity for its own existence. With the inception and development of a CLASSLESS society, the members of the C.C.C. will take their rightful places in the ranks of FREE and EQUAL PRODUCERS.

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THE SCUM OF HUMANITY.

Anyone unfamiliar with politics who strolls into a workers' meeting (leaving out of consideration the gatherings of the unemployed) is surprised by the fact that the larger part of those present is not to be numbered among the most impoverished stratum of the proletariat. The best organized workers are, of course, those who belong to the so-called labor aristocracy, which takes a social position between the middle class and the genuine proletariat. These trade-unionist organizations espouse the direct vital interests of their members, bringing to them immediate advantages; and yet they are neither able nor do they attempt to politicise their adherents in the socialistic sense. The radical labor movement, on the other hand, can provide its adherents only with ideological satisfaction; it offers them no direct material advantages. And this is precisely why it is incapable of embracing the truly impoverished part of the proletariat. This part, by reason of its very misery, is compelled to concern itself only with its pressing and direct interests if it is not to abandon life altogether. For this reason the political radical labor movement hovers between the two poles of the working population, namely, the labor aristocracy and the Lumpenproletariat, and is carried on by those elements which, though without illusions on the point that within the present society genuine possibilities of advance are barred to them, nevertheless still maintain a standard of living which permits them to devote money, time and energy to endeavors the fruit of which, in the form of real material advantages for themselves, is deferred to some uncertain future. They set themselves in opposition to the existing society from a recognition of the fact that it has to be changed and because, in spite of this position, it is possible for them to live in it.

The activity of the radical labor movement in times which are not revolutionary is mainly directed to transforming the prevailing ideology. Agitation and propaganda demand material sacrifices; they bring no material advantages. The members of these organizations have time available; they wait for the masses to become revolutionized, even though they seek, meanwhile, to hasten the day of the overturn; they educate, discuss, philosophize. Those elements of the working class which flock to their standard but which, because of their circumstances, are not in a position to wait, are continually repelled by these organizations. The fluctuation in membership within the radical movement is not exclusively the result of a false policy or of the lack of tact displayed by the bureaucracy to members not yet settled in their ideology; it is also the result of the increasingly imperious compulsion, for a growing stratum of the im-

poverished workers, to "restrict the horizon". The activity of the movement from which they expected help gives them only words and something to keep themselves occupied; it does not assist, but hinders them, in their individual struggle for existence--a struggle which becomes ever more difficult, time-consuming and nerve-wracking the more the impoverishment spreads and the deeper the individual becomes submerged in it. However much socialist propaganda they have absorbed, their present existence compels them to actions which stand in opposition to their conviction; and as a result, this conviction itself, sooner or later, again fades out, since it is "practically worthless".

This is also one of the reasons why the political labor movement goes to pieces in periods of economic crisis and functions better in boom times. And accordingly, a large part of the labor movement on the basis of its "experiences" has taken a hostile position to the idea that the impoverishment of the masses is identical with their revolutionizing. To those who hold to the theory of impoverishment, the existence of the Lumpenproletariat is heatedly pointed out as proof that pauperization makes the workers apathetic rather than revolutionary, sets them in opposition to, rather than serves the interests of, the proletariat, since the ruling class frequently engages the Lumpenproletariat to serve the needs of that class. And so the labor movement set about with great zeal to improve the economic position of the workers, considering that precisely in that way proletarian self-consciousness would be raised. As a matter of fact, in the upgrade period of capitalist society the improvement in the workers' standard of living was bound up with a growth in the trade-unionist and political labor organizations and with the strengthening of their political consciousness; but this consciousness, like the organizations themselves, was not revolutionary. So that the theory of raising the proletarian standard of living as a means to revolutionizing was just as much a failure as the rejected theory of impoverishment. This difficulty was gotten over by the unfortunate and meaningless explanation that the reactionary attitude of the organized workers was the result of the reactionary leadership, since the contradiction involved in combatting impoverishment and at the same time holding it to be necessary was recognized as injurious to the existence of the organization; the masses cannot be brought together in organizations without at the same time being made some promises.

The conviction, based on a superficial view of the phenomena, that impoverishment makes the masses reactionary rather than revolutionary, and abhorrence of the Lumpenproletariat as the living manifestation of this "truth", remained for a long while a common property of the political labor movement and is still continually brought up in political arguments when the question is one of explaining the aid recruited by the ruling class from the camp of the proletariat. Just as the defective degree of organization and the relatively undeveloped class-consciousness of the unemployed tends apparently to refute the theory of impoverishment, so also does the role played in society by the Lumpenproletariat. Of course it is the "scum of humanity" which, in alliance with the petty-bourgeoisie and at the order of monopoly capital, fills the fascist ranks. The elements which the fascist movement attracts to itself from working class circles expect and obtain advantages which at any rate are immediate,

however slight they may be. Those elements attach themselves to no movement from ideological motives; these are quite beyond their power to possess. The fact that these advantages are of a merely temporary nature cannot disturb these elements, which of course are constantly in a state of living "from hand to mouth". To reproach them with class betrayal is merely to attribute to them the possibility of a conscience and of a set of convictions,--a luxury which, however, their determinate mode of life precludes. They act on the strength of their most proximate interests, as, for that matter, the mass of workers in general later accepts the fascist movement, passively or actively, in order not to injure themselves. As to who first and who later goes over to the class enemy, that depends on the degree of impoverishment. Apart from this factor, the investigations of social scientists in almost all countries have proved that the decline in revolutionary tendencies is bound up with the impoverishment of the masses. Their conclusions are based exclusively, however, on the last few years and hence can do no more than indicate that impoverishment is at <u>first</u> bound up with the regression in revolutionary tendencies.

II.

The concept of Lumpenproletariat is by no means strictly delimited. Thus the communist groups to the left of the official parliamentary and trade-unionist labor movement have given such broad bounds to the concept that "Lumpenproletariat", become a term of abuse, is made to cover all those elements which, in virtue of their class situation, would naturally be counted among the proletariat but which perform some service or other for the ruling class. In this conception the lumpenproletarian element is made up not so much of the "scum of humanity" as of the so-called flower or top, i.e. of the governing bureaucracy of the labor movement. In this extension of the notion is mirrored the hatred directed at sell-outs; there is consciously left out of consideration the fact that the betrayal is more the product of the whole historical development than of the individual self-interest of corrupted leaders.

Almost the whole of the labor movement includes under the term Lumpenproletariat, the many pillars of present society who are thrown into the struggle directly in opposition to the workers, as, for example, the police, provocateurs, spies, strikebreakers, etc. To the reformist "labor movement" striving for power within the existing society, however, these elements forthwith lose their lumpenproletarian character as soon as the reformist bureaucracy is given a share in the government. The policemen then become the "brothers in uniform", the spies turn into worthy citizens who protect the country from threatening anarchy, and the strikebreakers become the "technical emergency workers." A change of government suffices to take away from these elements the stigma of "Lumpenproletariat".

The hounds of the existing or of any other antagonistic society cannot, however, be properly embraced in the concept of Lumpenproletariat, since they are quite necessary to the social practice. This is not quite true of the strikebreakers; but even they are logically to be excluded, since, to use an expression of Jack London's, "with rare exceptions, all people in the world are scabs." As a matter of fact, the scab can be reproached only from the standpoint of a

social order not yet in existence. Today they act in complete accord with the social practice, which, however much it has socialized production, nevertheless permits no other rule of conduct than private interest. The scab has not yet realized, nor sufficiently experience in practice, that it is precisely his individual necessities which impose upon him collective action. He is not yet sufficiently disillusioned by the fruitlessness of the efforts directed to making his way on the basis of the existing society. He hopes to assure himself advantages from a better fitting into the practice of societ and it is only through the nothihgness of his endeavors that he can be convinced that in reality he stands estranged from that society, however much he has striven to do justice to it. However much the workers are forced to oppose the scabs, these latter cannot be denoted as Lumpenproletarians.

Since the capitalistic relations of production serve to advance the general human development during a certain historical period, these working-class "pillars of society", however parasitical and hostile they may be to the workers, must nevertheless themselves be recognized as productive elements. If the productive capacity of society was driven forward at a dizzying tempo by the market and competitive relationship, then the means for the safe-guarding and promotion of this relationship must likewise be understood as productive ones.The means can be properly opposed only by one who stands opposed to the society itself. The function of both groups of the proletariat, the directly productive as well as the indirectly productive, which assures the safety of society, are different only in manner; in principle, they serve the same purposes. The overthrow of existing society would show at once that the concept of Lumpenproletarian is applicable only to those outcasts of society who are taken over by the new society as the successor of the old; the shiftless and criminal elements which, though a product of present society and constantly denied and frequently employed by it, must also be combatted by the new society. These are nothing other than what is regarded as the scum of humanity: the beggars, tramps, bootleggers, prostitutes, pimps, floaters, drunkards, thieves, swindlers, etc.

III

At the time when unemployment could still be denied as a regular social oondition, since the temporary booms concealed the fact that it is inseparably bound up with the present system, a large part of bourgeois criminology came to regard all criminal activities and propensities within the lower strata of the population as having their roots primarily in shiftlessness. This attitude was nourished even in working-class circles, and the organized worker with a fairly regular income looked with no slight contempt upon the shiftless canaille of the large cities and highways. The source of this shiftlessness, in cases where the word could really serve as an explanation, was quite a matter of unconcern to the judges. The socialist movement, to be sure, made existing society responsible for it; and yet wherever the socialists had occasion practically to combat the tendency, they also merely reached for the bourgeois criminal code.

Impoverishment, Lumpenproletariat, criminality are not a result of the capitalist crisis; that crisis can only explain the great increase in their manifestations. Unemployment accompanies the whole

development of capitalism; it is necessary to the present system of production in order to keep wages and working conditions at the low level corresponding to the demands of a profitable economy. Even though unemployment alone does not explain capital's mastery over the workers, it yet explains the greater success of that mastery. Apart from the providential effect of the industrial reserve army upon the rate of profit attained by the various enterprises, the very existence of that army has its basis in the economic laws which determine the movements of capitalist society. The tendency of capital accumulation, producing superfluous capital on the one hand and excess population on the other, has become a very painful reality which is no longer deniable. So it comes to be admitted, however reluctantly, that unemployment can never more be entirely eliminated, and efforts are devoted less to setting it aside than to lessenihg the dangers which it involves for society. Hence also the vigorous discussions concerning reform of the penal system, discussions which only mirror the changes occuring on the labor market. Thus even H.L. Menken, in a recent number of Liberty, raised the demand for Chinese practices in the American penal system: the unrestricted physical destruction of criminals with or without proof of guilt, that is, a form of justice such as is common in countries with chronic overpopulation. In Germany there is talk of introducing the corporeal punishments in vogue during the Middle Ages, since the prisons have ceased to be means of frightening, and the gratuitous labor power of the prisoners can no longer be used. The increased misery resulting from the permanent crisis and large-scale unemployment diminishes the fear of punishment, since life in jail is not much worse than existence on the outside. The criminal elements are multiplying; a fact which compels to the further brutalization of punishment and hence to the impossibility of reforming the inmates. "When we get down to the poorest and most oppressed of our population," says Bernard Shaw, "we find the condition of their life so wretched that it would be impossible to conduct a prison humanely without making the lot of the criminal more eligible than that of many free citizens. If the prison does not underbid the slum in human misery, the slum will empty and the prison will fill." So that legal punishment is not only barbarous and compelled to ever greater barbarism, but its institutions become hothouses of criminality,-- as proved by statistics, which show that the majority of those previously convicted repeatedly find their way back into the jails.

Yet this animalization of human beings, a phenomenon bound up with the development of capitalist society and which finds its most pronounced expression in the growth of the Lumpenproletariat, arises not only from the unemployment and the mass impoverishment by which it is accompanied. The accumulation of wealth at the one pole is not only, to use an expression of Marx's, the accumulation of misery, but also of drudgery, slavery, ignorance, brutalization and moral degretion at the other pole. Under capitalistic working conditions labor becomes forced labor pure and simple, however "free" the workers may be in other respects. Even outside the labor process, the worker does not belong to himself; he merely recuperates his labor power for the next day. He lives in freedom merely in order to remain in condition to perform forced labor. The worker becomes completely dehumanized; he has no voluntary relations of any sort to his work. He himself is only a thing, an appendage of the productive mechanism. To expect these workers, under such conditions, to take pleasure in their work

is out of the question. They have to endeavor to get away from it in order to assert themselves as human beings. Such a state of things must, in the long run, animalize them.

With external power, with force and compulsion alone, it is impossible to dispose of the Lumpenproletariat or to bring about a diminuation in criminality. The question is one of maintaining or creating in human beings the psychial readiness to take their place in society and its definite mode of life; and this becomes increasingly impossible. The lack of social conscience and of social adaptability on the part of criminals is susceptible of other explanations in addition to that of "shiftlessness". Of course there are a great number of lopsided theories by which mental and bodily defects are advanced as the essential reasons for the criminal actions of human beings.It is undeniable that biological psychological factors must be taken into consideration if criminal propensities are to be really understood. It nevertheless remains obvious that the theory which has the most to offer by way of enlightenment on this subject is the economico-social-political one. The biological and psychological factors assist in determining the conscious and unconscious actions of human beings, but these factors are in the fullest measure modified and in fact determined, as regards their quantitative and qualitative effects, through the social process. The drives of individuals are subject both to the socio-economic situation and also to that of the class to which they belong. In a society which grants the highest measure of recognition to the rich and propertied, the narcistic impulses, for example (as has been shown by the social psychologist Erich Fromm), must lead to an enormous intensification of the desire for possession. And if, on the basis of society, those propensities cannot be satisfied along "normal" paths, they must seek their fulfillment in criminality. Even if criminality is traced back to bodily or spiritual defects, yet these defects in their turn can only be fully understood in connection with society and the class situation obtaining in it. Those crimes, the majority of which are directed against the laws of property, can be understood only from a consideration of the whole social process; and even the others are partially determined, if not directly, yet indirectly by the social and political situation. Hence also they can be changed or set aside only thru changing the society in which they occur.

There is no better concrete proof of the importance of the economic factor for explaining crime than the fact that it greatly increases in times of economic crisis. As a consequence of depressions, the mentally and corporeally weakest of the poor are hurled onto the road of criminality; frequently, in fact, no other possibility is left open to them. How clearly the socio-political factor is here revealed as the essential one when we consider the fact, for example, that the sexual transgressions of children in families of the unemployed are much more numerous than in families whose economic life is orderly. How can any one attempt to explain the decline of the family--in present society another factor in the increase of criminality--on a biological and psychological basis? How the fact of the rapid increase in prostitution during the crisis? Investigations regarding the influence of the milieu on criminality in the United States revealed that the greater percentage of convicts came from the city slums and from families which lived from hand to mouth.The majority of crimes are those committed against property, the investigations further revealed, and the majority of criminals are of

"normal intelligence". The youthful tramps, who today are roaming planless and goalless through the States and populating the highways are in the best possible position for slipping forever into the Lumpenproletariat. No opportunities knock to them; they are embittered, and resolved to provide themselves with more of the fullness of life by all the ways, i.e. the criminal ways, which still remain open to them. "We will get ours," they assure themselves; and their heroes are not the respectable heroes of present society, but the Dillinger While Jack London could once characterize the tramp as a discourage worker, most of these youngsters have never yet worked at all. They are discouraged before having begun; and the longer they remain without a job, the more they lose the capacity ever to fit themselves in to the social rhythm of life.

"It is better for society", as William Petty already realized, "to burn the work of a thousand people than to let these thousand people lose their working capacity through idleness." But it is not only from the standpoint of profit, but also from that of social security, that the present system bites into its own flesh when it robs the workers, even though against its will, of the possibility of keeping themselves occupied. It is only through the sale of their labor power that the workers can remain alive as workers. Their whole life depends on the fickle movements of the labor market. To get away from the compulsion and chance of the market is possible only in case they evade the workers lot itself. To him who fails to make the leap into the middle class--a possibility which was always very exceptional, and which today is already precluded--the only remaining way out is into the Lumpenproletariat. This "way out" is sought voluntarily only in exceptional cases, but for an ever growing element of the unemployed it becomes unavoidable. Since it is quite as much out of the question, even if desired, to accord to the unemployed living conditions befitting human beings as it is to do the same for the criminals, since otherwise the compulsion to labor would lose some of its sharpness and the workers' power of resistance in the wage struggle would be increased, so also to the workers on relief there remains no other recourse than to increase their extremely limited means of livelihood by way of crime. Yet even in countries with unemployed relief, a larger or smaller percentage of the workers still remains excluded from its enjoyment, and this portion cannot save themselves, even assuming the greatest moderation on their part, from sinking down into the Lumpenproletariate.

Anyone who has been debarred from the labor process for some time loses also the capacity and the possibility of ever working again. Consider, for example, one who has been unoccupied three or four years: it becomes unspeakably difficult for him not merely psychologically and corporeally to take his place once more in industrial life, but has become impossible for him in many occupations merely by reason of the rapidly progressing rationalization; he is unable to meet the increased demands as performance regards. For this reason employers almost universally refuse to take back workers who have undergone years of unemployment. Toward such workers they have a very skeptical attitude, which is further strengthened by the poor and dilapidated outer appearance of the applicants. Once arrived at a certain stage of impoverishment, there is no further return into the ordinary daily grind. There then remains nothing further than the poor nourishment won by begging and the slow deterioration in the streets of the large cities. There is only the wheedled gin to en-

able one to forget the senselessness of his own existence; or the leap into the ranks of the underworld, which unavoidably leads to prison and violent death.

IV

If the impoverishment taking place among the masses in the course of the capitalist development were a uniform one, and if the entire working class were affected by it in a uniform manner, then it would be identical with the revolutionizing of those masses. The numbers of the "Lumpenproletariat" would be so great that the lumpenproletarian existence would be precluded. The "lumpenproletarian" activity of the individual would in this case be capable of expressing itself in no other way than collectively. The individual parasitic existence, or the individual expropriation, would do away with itself, since sponging or stealing can never be engaged in by a majority without at the same time completely overturning the basis of society. In the fact that the Lumpenproletariat is possible only as a minority lies also its tragic character. As a result of this minority situation there remains to it, in fact, no other than the sponging or criminal form of activity. In countries at war, for example, where increasing scarcity of food, in spite of the diversity of incomes, produces a rather uniform standard of living among the great masses of the population, a revolutionary situation is more likely to result than in times and situations in which the impoverishment takes place by stages and with leaplike impetuosity. Insofar as the Lumpenproletariat arises not only indirectly but also directly from the existing relations, the predominance in the matter of impoverishment must be awarded to the blind law by which it is brought about. The Lumpenproletariat had to take form because the impoverishment first arose simultaneously with the expansion of the economic system and because, with the close of this expansion, it is itself still condemned to remain for a long while a minority, even though an increasing one. Because society grows up too quickly and declines too slowly, a part of the working population is exposed to a measure of impoverishment to which it can respond in no other than the lumpenproletarian way, and to which it must therefore submit. These first "victims" of a slow process of social overturn which does not forthwith affect the individual cannot become a revolutionary, but only a negative force. Instead of revolutionary solutions, there remain to them only the individual and necessarily anti-social ones. So the Lumpenproletariat can free itself from its situation only through its growth, just as this growth is at the same time an index of the revolutionizing process going on throughout society. The lumpenproletarian basis of existence must become the level of life of such a great portion of humanity that there is no possibility for the individual to maintain any sort of life, even among the Lumpenproletariat.

As we have already said, superficial appearances seem to belie the claims of the theory of impoverishment. If one considers only the psychological attitude of the unemployed, not to speak of that of the Lumpenproletariat, one is horrified (unless he deceives himself, as is often regarded proper for agitational purposes) at the spiritual deadness of these elements. Released, to be sure, from the stupefying toil, they are still less capable than before of developing a revolutionary consciousness. Their conversations turn on the most trifling matters: current events and sports. They have no real relations to their own situation. They turn away, almost with fear, from

the recognition of that situation and its political consequences.

The impression made by impoverishment upon the unemployed can be divided into degrees. A small percentage is not at first cast down by the changed situation. They have not yet been out of work long enough, or are protected by savings from the rapid descent. They draw in upon themselves, try with increasing energy again and again to find work and still look hopefully into the future from which they expect an improvement in their situation. The intensity with which they endeavor to keep above water excludes this group more or less from political activity. More than previously, they are obliged to devote themselves to their narrowest interests; they have no possibility of applying their energy to several fields simultaneously. The great mass of the unemployed, however,--those who, as a result of the length of time in which they have been unoccupied, have left this first level,--lives on in the most profound state of resignation and lack of energy. They expect nothing more from life; fancy itself affords them no cause for hope. Nothing suffices to arouse their interest; there is nothing for which they are capable of engaging themselves; they have put off the living features of humanity; they vegetate and are conscious of the fact that they are slowly going under. From this broad, gray mass is still recruited a rather small percentage of the completely desperate who either dive down into the Lumpenproletariat or in a very short time disappear from life. Hopelessness and embitterment here border on insanity; the victims crawl or lash about each other like terrified animals. As rapidly as society is relieved of them, the places they vacated are again filled from the gray mass of the resigned, who in their turn are again replaced from the ranks of the still unbroken.

Whatever may be said against the theory of impoverishment, all the counter-arguments fall down before the impoverishment which is now under way and to which no halt can be put within the framework of present society. If the theory of impoverishment is false, then also is the Revolution an improbability. It is much more probable, however, that the impoverishment has hitherto remained without visible revolutionary consequences only because it always embraced only minorities. A great mass of the impoverished must by reason of its magnitude be converted into a revolutionary force. And this, the abolition of the proletariat as such, is at the same time the end of the Lumpenproletariat, even though it does not thereby disappear forthwith. Only the soil of its development is washed away; the lumpenproletarian ideology arising as a result of the lumpenproletarian mode of existence will still for a long while manifest itself as one of the many undesired heritages of the proletariat, until the new relations have sufficiently changed humanity that the ideological traditions are still to be found only in books of history and no longer in the heads of human beings.

So one need not shrink from holding impoverishment to be a necessary presupposition for the revolutionary overturn while at the same time practically combatting that impoverishment. This is no contradiction; for precisely by reason of the fact that one attempts within the framework of capitalism to diminish impoverishment, one actually increases it. But to enter farther into this paradox would lead us into the field of economics. Let us limit ourselves to the further statement that in the Lumpenproletariat the workers can only see the

face of their own future,unless their efforts to change the existing relations of production proceed at a more rapid rate. It is only petty-bourgeois narrowness which can point the finger of scorn at the Lumpenproletariat; to the workers themselves, the "scum of humanity" is only the obverse side of the medal which is admired as capitalistic civilization. It is only with the setting aside of this latter that the end of the other is bound up.

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A. F. of L. And ADMINISTRATION BREAK.

The pressure of class interests upon government is aptly illustrated by Roosevelt's recent turn to the right in New Deal policies. The president came into office with a reputation for opportunism and vacillation. An astute political engineer, he lacked all knowledge of fundamental social and economic science. As a consequence, his cabinet is the most heterogeneous hodge-podge, running wild in contradictory and conflicting policies.

The liberals, captivated by his radiant smile and the well-meaning platitudes he uttered, as usual placed great hopes in him and were, as usual, disappointed in the end. The president never had a clear policy. He gropes around hoping for "something to turn up", and just because of this lack of decision becomes a most adept executive for the master class of the country. The influences of capital are free to work upon him, and find no resistance such as would characterize a man of firm convictions. Thus, without being fully conscious of it, in spite of humanitarian sentiments, he pursues a course outlined for him by American capitalism with all the accuracy of a man fully conscious of the course.

It was not personal astuteness that caused him, at the outset of NRA, to curry favor with the A.F. of L. Finance and Manufacturing capital were terrorized by the fear of incipient revolution. They needed peace, industrial peace, in order to find their bearings, and N R A could not promise that without the help of the A.F. of L. Thus special inducements were held out to Green and his cohorts; and the A.F. of L. joyously accepted. It felt itself a partner in the Fascist reorganization of America, and would have continued as a partner if it had proved able to deliver.

It was intended that the A.F. of L. was to curb strikes, maintain industrial peace and develop unflinching loyalty to N R A on the part of the workers; but the A.F. of L. was unable to deliver. An unprecedented strike wave swept the country: Toledo, Minneapolis, San Francisco, and the textile strike were the high points of an upheaval that was continuous to the close of 1934. Rank and file rebellions in coal, steel and automobile unions threatened at all times to add to the confusion, and communist elements seemed to be gaining strength in unexpected places. Not that harried and blundering William Green didn't do his best to head off militant action. He and John L. Lewis hastened to quell the miners of Pennsylvania when they resorted to strikes. He pleaded with tears in his eyes to pre-

vent the Amalgamated Association of Iron, Tin and Steel Workers from striking. His membership was kept in line in the auto plants while independent and wild-cat strikes threatened to upset the auto industry. The San Francisco strike was repudiated by him, and the socialistic leaders of the Textile Workers' Union called off its strike before attaining its objective.

One does not receive pay for good intentions. One must deliver; and Green, though his intentions were the best, couldn't deliver. Painfully he limped from place to place trying to remedy conditions when the damage had already been done.

The organization work of the A.F. of L. was hampered by craft divisions. The N R A setup required vertical unions so that the workers, regimented in industrial units, could be effectively handled by thei leaders and delivered to their masters. One prominent NRA executive resigned from his post because it was inconceivable to him to use a "craft" A.F. of L., and Gerald Swope of the General Electric voiced determined opposition to organizing his workers on a craft basis.

At its 1934 convention, the A.F. of L. decided to adopt "vertical" unions in some industries. That this was purely an opportunist maneuver was plain, as Charles P. Howard, president of the International Typographical Union, who fathered the compromise proposition on vertical unions, is a bitter enemy of all progressive tendencies in the typographical union, which latter is one of many crafts subdividing the printing industry.

But all of these efforts were belated. It had become obvious to NRA chieftains that the A.F. of L. , though reactionary enough, lacked the force to become the Fascist labor adjunct of our dying capitalism. So the adminstration turned from it in the automobile controversy. The administration decided to continue the automobile code which admits company unions and independent unions into the collective bargaining arrangements until June 16th. This turn of events shows no deviation by the national adminstration from its previous policy of regimenting workers in units that will serve the general fascization of American labor. It merely represents a shift from the A.F. of L. as the instrument of fascism, to the pure company union. It does not signify that the A.F. of L. becomes progressive. It merely means that the latter will act as a minor fascist agent in the labor movement instead of being the main factor.

Green and his cohorts will call no general strikes. They may bluster as they have done in the past, but there will be no action. The A.F. of L. has lost so much ground in the auto industry, as a result of its temporizing policy, that it couldn't call a strike if it would. There is no danger that the A.F. of L. leaders will initiate in any industry a strike movement that very likely would result in rank and file strength which would eventually overthrow the leadership.

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THE BASES OF JAPANESE IMPERIALISM.....

The Declaration of War on European Capital.

A short while ago there appeared in Italy a brochure giving a resume of a large number of articles from the largest japanese daily, "The Osaka Mainichi and the Tokio Nichi". In it we find the following:

"You Europeans, and especially you Englishmen, have made it nice for yourselves, following the great industrial development at the end of the preceding and beginning of the present century; you have raised the standard of living and have counted upon the world export-trade as upon an eternal right. The world does not, however, stand still, nor does it wait on you if you fail to keep pace with the times. We do not hesitate to affirm that the english and, in general, the european textile industry is being beaten every day by that of Japan, because you have forgotten that the whole basis of trade consists in selling at low prices. The purchasing power of most of the countries with which you do business is rather slight, and for that reason we maintain that the japanese design of selling their commodities at the lowest prices--regarded from the general human point of view--is more beneficial than your tendency to stick to high prices.

"You Englishmen and Europeans think of your earnings and the high standard of living of your workers; we think of the necessity of finding work for our workers and of the vital need on the part of the millions of Asians, Africans, South Americans--our customers--who lead a more than modest existence. If Japan can sell these peoples a fabric at two cents a yard, why should they pay the Europeans four or six?"

These are the words of Japanese capital, grown power-conscious and engaged in defeating western capitalism with its own logic. With the same logic and the same humanitarian phrases, european capital once destroyed european handicraft , as it also later seized the markets of backward countries and imposed its economic methods upon Asia. Today it raises against the force created by it the same wishy-washy phrases of an economically surpassed petty-bourgeois morality with which the expiring handicraftsmen sought to defend themselves against its competition.The modern and more efficient capital of the East, with self-conscious

brutality, declared war on european capitalism, its creator. And this declaration of war is clearer than all the utterances of the imperialistic warriors of the japanese General Staff. In its spirit will japanese capital not only fight; it will defeat with that spirit the dilapidated capitalism of Europe in the field of international economy.

The Technical Preconditions of Japanese Expansion.

The european bourgeoisie points bitterly and with fear to the "dumping" on the part of the japanese exporters. With what justification remains to determine.

It must be emphasized, in the first place, that the question as to the strength of japanese export is not answered with general phrases about dumping. That is to say, it is quite incontestable that japanese capitalism has a technical equipment which is far superior to that of Europe. This holds, above all, of the textile industry. It is true that the costs of setting up a textile factory in Eastern Asia are four times as high as in England, but on the other hand, Japan practices a much more intense utilization of her machinery. The highly modern japanese textile machines regularly run in two shifts of 8½ hours each, and at highest speed. A ten year-old japanese textile machine has worked an average of 62,000 hours, while a similar english machine has been put to use only an average of 24,000 hours. The average number of labor hours per week is reported (1932) as 100 for Japan, as against 40 in Europe.

The intensity of the machine labor hour in Japan is greater than in England. Thus a japanese spindle turns out in 48 hours an average of 42 lbs. of thread No. 40; an english spindle only 36 lbs. Japan, with eight million spindles, attains almost the output of the english textile industry with 50 million spindles.

The tempo of labor rationalization is so high in Japan that in spite of the increasing productivity the number of workers has remained practically stationary at 4.8 millions the last ten years. While in 1929 10,000 spindles were served by 285 workers in the cotton industry, in 1933 the same number of spindles was left to 197 workers. In the same space of time, the output of a spinner increased by 35.6 percent.

The "currency dumping".

While the highly rational utilization of man and machine, together with the concentration upon a relatively few kinds of thread and fabric, not only in the cotton but also in the wool and artifical silk industry, may put Japan in a position, even from this merely technical point of view, successfully to meet the european and american competition, still Japan has a further advantage in the controlled devaluation of her currency. This devaluation alone does not in the least explain the success of her export trade, and England has no right whatever to raise a howl on that score. For, in the first place, the devaluation of the english currency took place prior to that of the yen, and secondly, the yen was again stabilized on the basis of the english pound. The english example has further shown that a cheapening of currency has only a brief stimulating effect upon the economy, while Japan's success is a long-term affair. Her announcement of the possibility of a new devaluation experiment is evidence, at any rate, of the will to administer, if need be, a new shot of adrenalin to japanese economy; an experiment which England would hardly venture to follow.

Japanese Wages.

One of the essential reasons for the low prices of japanese exports is the japanese wages. In Japan, the commodity labor power is to be had cheap, even though the japanese wages, in comparison with those in fascist Germany and fascist Italy fail to reveal that enormous difference which is proclaimed by the european press in the interest of its own entrepreneurs.

The japanese statistical bureau has computed an average daily wage of 2.53 yen (1 yen is equal to about 50¢) 714,600 male, and of 0.95 yen for 729,000 female workers. The Bank of Japan has indicated as average monthly wage of male workers in the metal industry 59.21 yen; in the provisions industry 42.88 yen; in the chemical industry 41.93 yen; in the textile industry 32.05 yen; and for various other branches of industry 44.95 yen. The reported wages for women vary between 23.22 yen in the metal industry and 15.22 yen in the textile industry, and in no case do they amount to as much as 50 percent of the wages for men.

These data, which in themselves are quite unreliable, do not permit an exact comparison with wages in Europe. In the first place, according to an article by Oliver Lawrence in "The Listener" (London), beginning of March 1934, a considerable part of the wage is paid in kind. And secondly, a large number of the women workers, as in the textile industry, is barracked and accordingly has no rent to pay.

Standard of Living.

Japanese wages embody a different standard of living from that of the european workers. The city administration of Tokio has established a mean budget for workers, which comes to 54 yen per month. That is more than corresponds to the average income of all categories of workers apart from those of the metal industry, It is no doubt for this reason that the japanese statisticians have preferred to make the different computation of income on a family basis. In statistics on incomes and expenditures of 1000 households--statistics which after all are strongly biassed--they arrive in this way at an average net workers' income of 77.97 yen per month, and give to understand that 4.89 yen of this amount is saved.

That is paltry, to say the least, when it is borne in mind that saving in Japan has to take the place of social insurance. For the lowest category of the households considered, which show an income of less than 50 yen, this computation itself is bound to establish a monthly deficit of 4.34 yen. A comparison between the japanese wage index and the index of retail prices shows that the living conditions of the japanese workers, in spite of increasing industrialization and mounting exports, is absolutely being worsened. From November 1931 to September 1933 the wage index fell from 89.7 to 84.7, while the retail index rose from 130 to 147.

The devaluation of the yen has had no influence, according to japanese data, upon the workers' standard of living, since the prices to be paid for the necessities of life have not changed. A comparison of the wage and price index, however, says the opposite. It remains to be considered that the necessary foodstuffs for the japanese workers are limited to rice, fish, tea and a bit of alcohol, and that the rice price in-

dex has dropped considerably in the course of the year 1933. The extremely modest costs for the restoration of the commodity labor power account for the low wages in Japan. Taking for granted the standard of living prevailing in the East--a standard conditioned by historical and climatic factors--and bearing in mind the other living conditions in Europe, it can be said that the starvation wages of Japan are not essentially different from the starvation wages of large sections of the workers of Europe. European capitalism, however, nevertheless fails to find itself in a position to compete with the japanese wage level, unless by bringing its whole working population to the level of income and life prevailing among the german farm hands and in the german labor service , where wages have practically been abolished.

Woman and Child Labor.

The "rice standard" of the japanese workers cuts down the japanese wage fund in a measure which is still unattainable to european capitalism, even with equal or even greater relative impoverishment of its workers. The great prevalence of woman and child labor, which makes the attainment of the existence minimum dependent on the labor of the whole family, presses the wage level far down in the scale.

In spite of high technical pretensions, the japanese workers are intensively exploited in the highly rationalized production process. This becomes socially possible as japanese capitalism has at its disposal a reserve army capable of being enormously expanded. By reason of the great growth of population alone, some 200,000 workers are added to it each year. And on the other side there is the highly impoverished peasantry, which makes up the largest part of the japanese population: an inexhaustible human reservoir.

This human reservoir lives in pre-capitalistic working and exploiting conditions. Since the japanese bourgeoisie did not grow up in struggle with the feudal forces in the country districts, but arose through the division of the reigning feudal class, the feudal-agrarian subsoil of japanese society has been widely maintained. The greatest families of the feudal nobility are at the same time those who carry on the concentrated japanese industry and are the beneficiaries of a peasant exploitation which amounts practically to serfdom. The feudal dependence of the japanese peasants is concealed, as in large parts of China, behind rent-in-kind relations. It is customary for the peasant in Japan to turn over 50 percent of his crops as rent to the land owner. Since the highly modern industry and the half-feudal agriculture are bound up with each other in the closest possible manner, japanese capitalism is a direct beneficiary of the feudal exploitation of the peasants. It pockets such extra profits as fall to imperialist capital from the sucking dry of the pre-capitalist producers in other colonial regions, without being obliged to share with the feudal class and the other innumerable intermediary agents. Though the winnings of the japanese entrepreneurs are in many cases fabulous (in the artifical silk industry, for example, it was possible to denote yearly profits of 75 percent as the rule), there stands at the disposal of japanese capital a considerable feudal income, which it is free to employ in the competitive struggle on the international plane.

In this respect, also, it is hardly permissible to speak of a genuine "social dumping". Japanese capitalism merely makes use of its position, -a position attained by the means and methods which otherwise have been

applied by imperialist capital to colonial territory.

For the japanese workers, the old feudal relations have become a further fetter. On the one hand, through the attachment to the land, the care of the unemployed, in spite of extreme impoverishment, becomes "superfluous". On the other hand, the recruiting and engaging of workers goes on in half-feudal form. Agents of the great enterprises round up in the villages whole ship and train loads of labor volunteers to whom a cash payment is made forthwith when they have bound themselve to work for several years. This business is usually closed with the hea of the family; which is to say that a mild form of trade in human being has developed out of the patriarchal family relations.

Permanent Agrarian Crisis.

In Japan, as in general where similar conditions prevail, the position of the peasant grows worse at an extremely rapid rate, for in addition to the yoke of feudal exploitation there was laid upon them also that of capital. At the very beginning of the world economic crisis, in the train of a 20 percent wage cut and through the return of numerous discharged factory workers to the country, the discontent was manifested in strong agrarian uprisings. The partial boom occurring in 1931 failed to bring any satisfactory relief. The prices of important farm products such as rice, beans, tea and raw silk, did not keep pace with the devaluation of the yen. In the course of the year 1933, this development again became critical, and accordingly the Government, in the autumn of 1933, attempted to ease the agrarian situation, but without real success, through extensive purchases of rice. In June 1934 the japanese agricultural association published alarming reports: it established that 10 to 15 percent of the peasants no longer had any rice supplies for their personal needs, and that the percentage of the famishing in the areas of silkworm culture was still greater. It further became known that the peasants had broken open some of the Government's rice houses and put these supplies into distribution. The Government is not in a position to remove the causes of the agrarian impoverishment. Any considerable increases in the price of rice would make it impossible to continue maintaining the present wage rates and, with them, the intensified attack on the rivals in the world market. Furthermore, the peasant impoverishment is not to be combatted so much by way of higher prices for rice as through the setting aside of the lease slavery. And the ruling class of Japan will not of its own accord disrupt the basis of its economic power. In view of this fact, there falls to the working peasants of Japan, who make up roughly 54 percent of the japanese population, a special social significance. The question of beating down the ruling powers of Japan, as in Russia prior to 1917, is not alone a question of the workers' struggle, but at the same time a peasant question. So long as the ruling class of Japan succeeds in maintaining the feudal-agrarian basis of the country, so long is it not only secured at home, but also enjoys a considerable advantage on the world market.

The Japanese State.

Through the close social and family ties uniting the feudal and the capitalistic powers, which are intertwined in closest manner with the State by reason of inherited religion and manners as well as by reason of their interests, the japanese State has become their ideal instrument both politically and economically. This is proved not only by the policy of

imperialist conquests in Eastern Asia, a policy which serves far-flung political and economic aims in the striving for power. This is proved also by the support which the State extends to japanese exports.Though the state administration is under heavy strain as a result of the military budget, which in the preliminary estimate for 1934-35 embraces no less than 45 percent of all state expenditures, the japanese state still has considerable means at its disposal for promoting exportation. In the first place, the japanese shipping firms have adjustable freight rates. When by reason of the freight to a distant market the japanese commodities would have to be sold dearer than at least five percent under the lowest competing prices, the freight rate is lowered or even, in certain circumstances, directly made inoperative. Any losses of the shipping firms, moreover, are covered by the State through subsidies. It is this system which conceals an actual dumping. This dumping is possible because japanese industry operates with large earnings. The increasing expenditures of the State are raised, not by way of mounting taxes, but by way of increasing loans. Of more than 2.1 billion yen provided in the new budget, not less than 1 billion are raised through treasury notes, while the taxes still bring in less than 700 million yen. Japan's national debt amounts to 10 billions. It remains to be seen whether the Government will succeed in the long run in keeping up such a financing system, which would be ruinous to any other State, and on the other hand, in spite of all the tensities, succeed in maintaining, even by force, the equilibrium on the agrarian field.

To the methods of transportational dumping belong also those of an indirect state subvention to japanese industry through state contracts. For armaments, railway constructions, etc., for which the State lets contracts, excess prices are paid by which the entrepreneurs in question are enabled to set low prices on exports. As regards the silk and steel industry, this system has been officially admitted.

On investigating the character of these methods of export subvention through the policy of adjusting transportation costs and through the over-valuation of army and state contracts, one arrives at the following basic fact: Japan's export power is due to her extraordinarily high capitalist concentration, which is explained by the very manner in which japanese industrialism arose. A great number of enterprises was founded by the State, and then, when they had become profitable, turned over to private capital,--and without exception, into the family possession of the military nobility. Five family concerns, in the hands of the old military nobility, have under them approximately 75 percent of all japanese industry. This industry, furthermore, is cartellized in the strictest manner, so that there exists in Japan such a direct interlacing of all enterprises among eachother, on the one hand, and with the State on the other, as can be met with elsewhere only in Soviet Russia. And that on a profit and private-economy basis. The financing of the State on the one hand, and the financial promotion of export by the State on the other, turns out to be a sort of unified, organized action of japanese capitalism.

This impression is still further strengthened on considering that the whole export system is <u>organized</u> by the State. Not only are the prices, the quantity and the quality of the export products established from a central bureau, but, in addition thereto, the working up of the foreign markets and the conducting of the flow of exports itself is centralized and organized. Japanese capitalism has been incomparably more successful than that of any other country in taking hold, as organized

capital, of the state apparatus and as an organized group in going to meet the competing groups of the other countries.

Conclusion.

It has not been possible here to present either exhaustive material or a factual and all-sided analysis of japanese capitalism, but only points to be borne in mind for that purpose. But at any rate it may have become clear that the power of the youthful japanese capitalism is anchored not alone in the forced application of the general and well-known capitalist-imperialistic methods, but furthermore in the special structure of its exploitation economy.

Japan will certainly not be able to get away from the contradictions of her own development; not only that, but she will not succeed in avoiding either the laws of antagonistic profit economy itself, nor the opposition between modern capitalist production and feudal appropriation in agriculture. But so long as she is in a position to maintain her social stability itself and to assure herself the double basis of her profit economy, so long will she also be in a position to draw from a new crisis the new forces for overcoming it. She is merely at the beginning of a mighty imperialist attack which she is carrying on both by military and economic means against the old capitalist powers. It is probable that she will emerge as victor from the coming conflicts and will become the deciding force of world-capitalist progress generally for the near future, - if her way is not barred by the uprising of the international proletariat, or if she is not hurled back by the peasant revolution of Asia.

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3. - The goal is the attainment of socialism on the basis of a socialist german soviet republic, under the sway of the dictatorship of the proletariat. The revolutionary dictatorship is the necessary transitional period to the socialist society. The destruction of the capitalist system through dictatorship of the proletariat is the presupposition fo the realization of the personal and moral freedom of all people now under the yoke of Fascism.

4. - For conducting this struggle, the proletariat has need of a revolutionary party conscious of the goal. This party can and may embrace only the revolutionary vanguard of the proletariat. Only those persons can become members, therefore, who have stood the test of the revolutionary struggle , acknowledge the dictatorship of the proletariat and subordinate themselves unconditionally to the decisions of the party. The party makes use of all legal and illegal forms of struggle. It is the party's duty to prepare and organize mass movements, mass strikes and the armed insurrection.

5. - In case of a war, the party rejects any open or covert form of "defense of the fatherland". It rather calls the proletariat to its aid in converting the imperialist war into a civil war, in order to bring about the dictatorship of the proletariat. Among the means to that end are mass strikes and armed insurrection.

6. - After the conquest of political power, the old state apparatus will be completely dismantled. All legal power and authority passes over to workers' councils, small-peasants' and farm-workers' councils. The councils exercise the dictatorship of the proletariat, The leadership in the dictatorship lies with the revolutionary-marxist party.

7. - The consolidation of power is taken over, until the forming of a socialist army, by the armed proletariat.

8. - The professional bureaucracy will be abolished. All persons serving in public capacities are appointed through the councils and can be recalled at any time.

9. - For the purpose of lending support to the revolutionary dictatorship, workers and functionaries will organize themselves in industrial unions.

10. - Printing establishments and newspapers will be sequestrated. Printed matter, radio and any other kind of news service shall be under inspection and control of the councils.

11. - The whole of capitalist property will be expropriated without compensation. General liability to labor will be introduced, and the control of production through the councils.

12. - All banks will be combined into a central bank. In the same manner all insurance establishments will be brought together.

13. - Farm mortgages will forthwith be declared invalid. Rent will be abolished. Land ownership, insofar as it exceeds in any case the amount required for maintaining a family (Familienackernahrung), will be expropriated without compensation. According to the needs of the small peasants and farm workers, there will be a new distribution of the soil. The peasant enterprises will be brought together in associations,

(Genossenschaften). Where the necessary conditions are present, model large-scale agricultural enterprises will be established.

14. - For assuring the means of subsistence to the population, the union of all consumers will be made compulsory. The entire retail trade will be given its proper place in the distributing system of the soviet republic.

15. - Foreign trade will be centralized through the establishment of a foreign trade monopoly.

16. - The construction of the socialist economy will be effected under the guidance of an economic planning bureau (Planwi-tschaftsstelle).

17. - All cultural, educational and recreational institutions will be administered for the common benefit. Art and science will be under the care of the State, which will extend them the greatest possible encouragement. The pedagogical goal of all educational establishments will be preparation for life in the socialist community.

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The Way Backward.

After the total collapse of the reformist policy, this thesis comes out for the "revolutionary" way. In thesis two, these people call that a "radical break" with the previous policy, demanding a "fundamental change in the means and methods of the political struggle and in its concrete aims." The goal is then announced (thesis 3) as a "socialist, german soviet republic under the sway of the dictatorship of the proletariat.

At first sight, this seems really to be a radical break with the old policy of the Social Democracy, for a "socialist german soviet republic" and the "dictatorship of the proletariat" were most hotly contested by the Socialist Party of Germany (S.P.D.). But from the theses following (4 - 7) treating of the role of the Party before and after the revolution, and where it is said that of course the workers councils are to be the organs of the "dictatorship of the proletariat" but under the "leadership" of the Party, it is clear that a radical break with the social-democratic policy is out of the question.

It would be more correct to say that they want to go back to the starting-point of social-democratic policy and to the old conceptions regarding the path and the goal of socialism. For there can hardly at this date be any question that the S.P.D. during and after the war no longer carried on any socialist policy, but that it had sunk, precisely along the road of reformism, to a democratic reform party. And for the very reason that this reform policy ended up in Fascism, there can be no talk of a break with this policy. One cannot break with a policy which has ceased to exist.

The old S.P.D. wanted "Socialsim" (the purely democratic S.P.D. had ceased to want socialism, and therefore also wanted no dictatorship of the proletariat), but wished to attain it by making use of the legal possibilities apparently offered by bourgeois democracy. The S.P.D. went down with this bourgeois democracy, with which it was inex-

tricably intertwined. Anyone who still wants to achieve socialism finds that such legal possibilities are no longer at hand and must accordingly seek to arrive at the goal along other paths; otherwise it is unthinkable. But this path, which the theses attempt to define, does not differentiate itself on a single point from the conceptions present in the old (not yet bourgeoisified) Social Democracy.

This is shown beyond a shadow of doubt in theses 4 - 7. They reveal nothing more than the conceptions of the social-democratic party of Russia (Bolsheviks), which failed to follow the democratic way of the german S. P.

Here again it is the "revolutionary party conscious of the goal", the "vanguard", which leads the masses into the struggles and to victory, prepares and organizes mass movements, mass strikes and the armed insurrection. And after the victory, it is again the party under the leadership of which the workers' councils are to function as state organs, and workers and functionaries are organized in industrial unions. If a doubt should still remain as to who is supposed to exercise the real power in this socialist soviet republic, it is set aside by thesis 7: "The consolidation of power is taken over, until the forming of a socialist army, by the armed proletariat."

Which is to say, that after the victory, the armed workers who are necessary for the overthrow of the fascist state forces are to hand over their weapons in favor of a "socialist army", which naturally is under the command of the Party.

Stripped of all wrappings, what remains is the old social-democratic conception regarding the path and the goal of socialism, according to which the beginning and end of the struggle for socialism lies in the conquest of political power through the social-democratic party.

Now the development of the Russian Revolution has proved that the exercise of state power through the Party cannot be called a "dictatorship of the proletariat"; nor is it a dictatorship of the proletariat through the dictatorship of the party (as the russian Social Democracy formulates it), but it is a dictatorship <u>over</u> the proletariat. That finds its basis in the fact that the party-ruled State in converting the former private-capitalist economy to state economy again subordinates the workers, as wage-workers, to this state management.

From theses 7 - 17 it becomes clear that also in the construction of "socialism" -- that is, in the organization of economy through the party-ruled State -- it is desired to follow the russian pattern. The essential point of this organization of economy is that the means of production are declared to be state property and the State comes forward as the single entrepreneur under the control of the workers' councils. Small enterprises in agriculture and industry are to maintain an independent existence (obviously a mere concession to momentary conditions.)

<u>Wage Labor and State Economy.</u>

The socialism which it is desired to construct thus proves to be state economy. It is thought, with economic planning, the elimination of disrupting competition and of profit, in conjunction with the full employment of the increased forces of production, to raise the standard of living of the masses in general. For the very reason that private own-

ership of the means of production stands in the way of a rational economy--still more: in the permanent crisis, hinders employment of the productive forces at all--the abolition of private ownership appears as the next goal. From this then follows the concentration of economy under the central authority of the State. And here it is the task of the scientists, statisticians, engineers, etc,, to carry out the actual construction. In this way the socialist construction of economy appears as an organizational problem (Lenin), as an unrestricted generalizing and bringing to final completion of the tendency already foreshadowed by capitalism in the forming of trusts and cartels. The State becomes a mammoth trust which through organization overcomes the obstacles which stand in the way of a further expansion of production.

The russian development has proved that such a state economy can be nothing other than state capitalism. The worker remains a wage-worker, now bound by state liability to labor (thesis 11). He works in state enterprises and sells his labor power to the State. His wage is the price which the State pays him for it. Thus the State steps into the place of the expropriated private capitalist. It is the State which now exercises command over wage labor and thus also rules and exploits the workers. Labor power becomes a commodity, just as under private capitalism; it is set equal to an already created product (the means of existence which the worker receives by way of the wage). It becomes a commodity; which means also that it is degraded to a thing, deprived of all personal will. It is converted from subject to object. Since, however, the worker cannot be separated from his labor power, the same thing holds of the wage-worker himself; he becomes a thing, is degraded to an object, in order to be employed by the owner of the means of production, as another "means for producing". No further argument is needed in order to state that the fact that in this state economy the worker remains a wage-worker involves also the determination regarding his social position.

But the russian example is not only a demonstration of the fact that the proclaimed socialism is in reality state capitalism. It has not only proved that state production is not production for need, but ordinary commodity production/ There also arose from it a new ruling element which disposes over the state property and thus comes to occupy a privileged position. This element is interested in the further extension of state power, because it is precisely this state power which guarantees its privileged position in society. It also prescribes the direction for the further development, for in its hands are concentrated all the material means and other forces of society. And what else can it do than strive for increase of the state property and magnification of the state power?

Once social production has taken the form of state enterprise, it follows a development conditioned by way of the relations of power thus created.

The workers are dispossessed, each day anew, when they perform labor; and, in fact, by way of the State, the general proprietor, which appropriates the products of labor. The State is the proprietor, the administrator of the social wealth. It is the organizer, leader and conductor of the social process of production. And it is at the same time the power which determines the portion of the individual and distributes the goods. This is a social organization which is best comprehended if one thinks of the administrative apparatus of all

private-capitalist enterprises, stock companies, syndicates, trusts, etc., as combined with the political power of the State. The state as the single entrepreneur is nothing other than such a conglomeration of all administrative organs of private ownership; for just as the administration of private capital is unproductive, and serves merely as an organ for the appropriation of the products of others' labor, so also the bureaucratic apparatus of the State creates no product and has no other task than to assure to the State what is produced through wage labor in the state enterprises.

Thus the development of state management is marked by an antagonism which is bound continually to intensify. On the one side, accumulation of possession and power in the hands of the state bureaucracy, for it is the State; on the other side the wage-workers, the products of whose labor the State appropriates.

The more the wealth of society as state property increases, the greater is the exploitation of the wage-workers, and the more powerless they are. With the wealth of society as state property, there increases also the impoverishment of the wage-workers; its necessary consequence is the class struggle between wage-workers and state bureaucracy. For the sake of asserting itself in this struggle, there remains to the bureaucracy no other choice than to extend the state's apparatus of suppression, which must grow in the same measure as the cleft deepens. The richer the State, the greater the poverty of the workers and the sharper the class struggle.

The Problem From The Proletarian Point of View.

The wage-workers cannot be content with this "Socialism", even though it should shower them with material blessings (which, moreover, is very much to be doubted). The aim of their striving must be that the rule of capital shall be abolished for them also. Their struggle is directed to doing away with the capital relation itself; that they shall no longer be purchased as labor power and be ranged as a productive force into the productive process on a level with the machines, under the command of the new masters. They must themselves become the masters of production, of their own and the mechanical productive forces. They themselves must take possession of the means of production, in order to use and administer them in the name of society, and answerable to this society. They must themselves rise up to become the director and manager of production, the administrator and distributor of the goods produced, if they wish to unite humanity in the classless society and avoid falling into thraldom again themselves.

From this striving, otherwise than in the case of the intellectuals, there results also another statement of the problem, and new perspectives are opened. In this way conceptions are formed regarding the regulation of the mutual relations of human beings in social production, conceptions which to the intellectual elements appear incomprehensible and which they declare to be utopian and unrealizable. But these conceptions have already unfolded a powerful force in the revolutionary uprisings of the wage-workers, of the modern proletarians. This force was shown first on a major scale in the Paris Commune, which sought to overcome the centralized authority of the State through the self-administration of the communes. It was the cause also of Marx's giving up his idea (expressed in the *Communist Manifesto*) that state economy would lead to the disappearance of class society. In the wor-

kers' and soldiers' councils of the russian and german revolutions of 1917-23, it arose once more to a mighty and at times all-mastering power. And in future no proletarian-revolutionary movement is conceivable in which it will not play a more and more prominent and finally all-mastering role. It is the self-activity of the broad working masses which manifests itself in the workers' councils. Here is nothing utopian any longer; it is actual reality. In the workers' councils the proletariat has shaped the organizational form in which it conducts its struggle for liberation.

So it is no utopia, no empty theory, that these workers' councils, wherever they group themselves around production, in the shops, as shop organizations, themselves aim to take possession of the means of production, and themselves direct and manage production. It is a demand which is raised in the course of developments by broad masses of workers. The intellectual element will have to suppress this striving with force if it wants to assert its control in the state economy.

From the viewpoint of the workers' councils, the statement of the problem in matters of economic organization is not as to how production must be governed, and in this sense best organized, but as to <u>how the mutual relations of human beings to each other and among each other are to be regulated in connection with production.</u> For, to the councils, production is no longer an objective process in which the labor of man and the product thereof becomes separated from him, a process which one computes and directs like lifeless material, but to them production is <u>the vital function of the workers themselves.</u> If production -- the vital function of human beings when every one is obliged to work--even today is sodial in practice, then also the participation of human beings in that production, their own vital function, can be socially regulated without putting them on a level with their own working instruments and without subjecting them to the command of a special class or element. Once the problem is put in this way, its solution is no longer so improbable, but rather easy to find. It presents itself, as it were, of its own accord. It is the labor of human beings itself, their own vital function, in the fields of production, which serves as a criterion for the adjustment of their mutual relations. Once the labor of individuals, as well as their union in shop organizations, has been introduced as the determining factor in the social adjustment of the mutual relations, there is no longer room for any sort of leadership or management which does not itself take part in the productive process, which merely exercises governing functions and appropriates to itself the products of others.

<u>The Workers' Councils.</u>

The theses make it clear that the authors do not believe in the creative force of the proletariat. Even after the workers' councils as an undeniable fact have produced the proof of that force. No leader of the Social Democracy, not even Lenin, prior to 1917 had recognized the significance of the workers' councils, and yet they had already played an important part in St.Petersburg in the russian revolution of 1905. It was not until 1917 in Russia, then in Germany and elsewhere, when the workers' councils had proved themselves as the form of struggle of the revolutionarily acting proletariat, not until the broad masses of workers were exercising a decisive influence through the workers' councils upon politics and economics, it was only then that the attention of the political big-wigs of the Social Democracy was directed to

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them. But not at all in the sense of perceiving in them the first independent step of the proletariat in the direction of taking its fate in its own hands. The workers' councils were to them a new phenomenal form which must serve to bring the big-wigs themselves into power. The proletariat, this mighty and constantly still growing social force, was in their eyes just so much social force, like the productive forces in the shops--a force which one employs to arrive at determinate results, to put into practice worked-out plans. Such is the thought of the intellectual as leader of the capitalistic process of production, and such is also his thought when as a Social Democrat he thinks of directing the social forces. To him, the proletariat has no thinking of its own; it thinks and acts just as its leaders think. For that reason the "revolutionary-marxist party" (thesis 6) must have the leadership in hand if the proletarian forces are to be thrown into the struggle in accordance with the socialist plans. If it is not the revolutionary-marxist party, then it is simply another party which uses the strength of the proletariat in order to carry out its special plans and designs. Anyone who looks at the matter from this angle can come to no other conclusion than: Without the leadership of the party, no socialism. From this standpoint, the workers' councils appear as new proletarian organs in which the leadership must be won; they must become an instrument in the hands of the leadership, in order thus to influence the thinking and acting of the masses. It is in this spirit also that the workers' councils are seen and defined in the Theses.

But the force which goes out from the workers' councils came into being along the exactly opposite way. It was the mass-will born in the shops and mass-gatherings which raised up deputies and delegates out of the mass, as its mouth-pieces, ready at any moment to stand up for the mass with the uttermost means. This mass-will has hitherto still taken form only in conjunction with a few problems of quite general interest, the solution of which could finally be evaded by no one. Thus the will of the masses in Russia in the year 1917 and in Germany in 1918 was directed to ending the war. The war had to be ended, at any cost; all scruples on that point, artificial, cultivated and rooting in the masses themselves, were finally set aside. In this way there took form everywhere the general will to put an end to the war, and for that purpose to take up the struggle against the military power of one's own country. The workers' and soldiers' councils were merely the organizational form in which this will was converted into action. Thus the workers' councils are possible only as the organizational form of the will of broad masses of workers; though in this connection it must be borne in mind that such a will takes form only under certain presuppositions and is certainly not called into being through the slogans of this or that party.

Now when the "revolutionary-marxist party" strives for leadership in the workers' councils, it follows the opposite course. It wants to make use of these organs of the mass-will as a means of causing the masses to act in accordance with the will and plans of the "leaders". The leader, however, can see the mass merely as material with which he must work, and the independent mass-will is in this connection a hostile element. Hence the workers' councils under the leadership of a party are robbed of their own strength, and if they live on, it is only through deception, that is, when they conceal from the masses the fact that they have become instruments in the hands of the leaders. And that was the fate of the workers' councils in Russia and Germany after the first goal, the ending of the war, was attained

and opinions diverged with reference to the reconstruction of the social order,--a unified will, that is, on the part of the working masses was no longer present. They were "won" by the mutually competing party tendencies, soon lost even their influence upon the working masses and accordingly have no further value for the party politics of the leader They have disappeared. It is only in the plans of the "revolutionary-marxist" parties, which are making ready to win the leadership in the coming mass uprisings, that they continue to live as organs through which it is thought to lead the masses.

Yet the spirit which came to expression in the revolutionary workers' councils is not dead. In truth, the essential point consists in the fact that the workers find in these organizations the coordination of their class force, the overcoming of their dispersion in trade-unions, parties, tendencies. When the workers find this unity in the daily class struggle, when they themselves conduct the struggle by way of spontaneously formed organs while setting aside the old organizations by which they were separated, then is the spirit of the revolutionary workers' councils again in the working masses; then do the masses reveal their will.

In the present-day struggle, we see again and again the embryonic forms of this class action, but we see also at the same time the hitherto almost always successful attempts of the old labor movement to snatch away from the workers the leadership of the struggle and place it in the trade-union offices. Just as the "communist" economy of the leaders is to be accomplished along the roundabout way of the state official apparatus, so also the conduct of the struggle is to be taken away from the direct authority of the workers and redirected by way of the trade-union apparatus.

But the power of the ruling class under capitalism is so enormous that only the power of the whole undivided working class is capable of overcoming it.

Thus the class relations tell us that the workers can win only when they have overcome the old labor movement through their council-unity; that they can win only when the "legislative and executive power" in the struggle is exercised by the mass itself.

In the year 1918, in Germany, the revolutionary slogan of the proletariat was: "<u>All power to the workers' councils.</u>"

This slogan has meaning, however, only when the power of the councils is the expression of the unified will of broad masses of workers,-yes, of the whole working class.Unity in will and action of the whole working class; that is the soil on which the power of the workers' councils arises. To this end it is not enough when broad masses in extreme need put an end through their own action to an unbearable condition. They did that in 1918 and brought about only the ending of the war. There must be added to this the positive will to the reconstruction of society, to the readjustment of the relations of human beings in this society.

The former, the intolerable condition, may safely be left to capitalist society itself. The situation of the working class becomes ever more unbearable; wage-labor becomes for a constantly growing mass of millions a curse, a nightmare, which cannot be evaded. The situation

finally becomes so tense that in broad masses the will is born to put an end to this unbearable condition, cost what it may. But they cannot end it without at the same time doing away with wage labor. Even the state socialism of the leaders brings no salvation, for it lets wage-labor, organized anew through the state power, remain in existence. For that reason there must be added to the action under compulsion of extreme need the conscious transformation of the social relations. The ending of the state of distress and the reordering of the social relations is a single deed; they are only two sides of one and the same action. Out of the condition which has become unbearable to the working masses, who as wage-workers are given over to absolute impoverishment, there is only this one salvation: that the wage-workers themselves take possession of the means of production. But they can do that only when, combined in the councils, they become the social power and at the same time employ the means of production in common, that is, on communist bases, for the social need.

Communist Economy.

The council or soviet power does away with wage labor; it makes the worker the determining factor in production. Its task is to bring about the liberation of the working class, in that it converts the wage-workers to free and equal producers. But these free and equal producers have to adjust their relations to each other. The firm adjustment of these relations, through which the equality and hence also the freedom of the producers is assured, when it has become an all-mastering law; that is, in the last analysis, the solid foundation on which the communist society rests.

This adjustment, however, is nothing other than the regulation of the interacting process of society,--the regulation of production and consumption; of the participation of the individual producer in the production of goods and of his consumption of the goods produced in common. And where the labor of the individual producers is at the same time his participation in the social production of goods, it necessarily follows that this labor decides also regarding his share in the goods produced. The social measure by which the relations of the producers among each other must be governed is labor, according to the time through which it operates, the labor-hour. The individual, special labor-hour of the single producer is, however, no social measure; it is different in each case and ever and ever anew. It is therefore necessary to find the social-average labor hour, the average of all the different labor-hours, and this must be made the socially regulating factor.

It is impossible at this place to be more precise regarding the movement of the communist economic life on the basis of the social-average labor hour. On this subject we recommend the work entitled, Grundprinzipien kommunistischer Produktion und Verteilung, brought out by the Group of International Communists (Holland). We merely point to the carrying out of the labor-time accounting in communist society as an immediate goal and hence do not regard it as something to be "attended to later on".

The economic promotion of labor-time accounting expresses itself politically in working-class control of society. The one does not exist without the other. If the working class is not capable of carrying through the labor-time accounting, that can have no other meaning than

that it is not capable of doing away with wage-labor; not capable of taking over the conduct and administration of the social life. If labor time is not made the measure of individual consumption, then wage-labor is the only solution. Which is to say: there is then no direct relation between the producers and the social wealth.It means that through the wage of labor the separation of the workers from the social product has become a fact. Or, to state the same thing in other words: the management of the production process cannot lie in the hands of the workers. The management of the production process passes over to the "statisticians" and other scientists charged with the distribution of the "national income". Either abolition of wage labor, with the social-average labor hour as fulcrum of the whole economy, under direct control of all workers, or else wage labor in behalf of the State.

We therefore raise as the immediate slogan of working-class power: the workers bring all social functions under their direct control; they appoint all functionaries and recall them. The workers take the social production under their own management through combining together in shop organizations and workers' councils. They themselves enter their shop under the communist form of economy, in that they gauge their production according to the social-average labor time. Thus the whole of society goes over to communist production. This does away with the distinction between enterprises which are "ripe" for social management, and enterprises which are not yet "ripe".

That is the political and at the same time the economic program of the wage workers; it is in this sense that their councils will transform economy. Those are the highest demands which we can raise in these questions; but at the same time also the lowest, because it is a question of the be or not-to-be of the proletarian revolution.

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ENGLISH EDITION

For Theory and Discussion

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KARL KORSCH

Capturing The A. F. of L.

No. 8 MAY 1935 10 Cents

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MAY 1935 No. 8.

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*** REVOLUTIONARY MARXISM ***

To Marxism, the determining contradiction in present-day society lies in the contradictory development of the social forces of production within the existing relations of production, or, otherwise expressed, between the increasingly socialized character of the productive process itself and the persisting property relations. In all forms of society, the general advance of humanity has been expressed in the development of the productive forces, i.e. of the means and methods of production, enabling ever greater amounts of use articles to be produced with an ever diminishing amount of direct human labor. This process is divisible into historical periods. In it, each stage simply mirrors the attained level of the continuously increasing forces of production and develops for them corresponding social relations. And as soon as a given set of social conditions no longer sufficed, without giving rise to great maladjustments in the social, economic and political spheres, to satisfy the demands of the new and growing forces of production, those conditions were overcome through revolutionary action.

All social development is based in the last instance on the process of interaction between social man and nature. The contradiction arising through human labor between being and consciousness, nature and man, leads to further and further development and change in nature, society, man and consciousness. Within this great contradiction evolve, in the process of development, narrower social contradictions, which in their turn propel the progressive social movement along the path of revolutio

Since the development of the productive forces has throughout the past been bound up with the rise and decline of classes, past history must necessarily be regarded as a history of class struggle. Thus the development of manufacture under feudalism had to lead, at a certain level, to the overcoming of feudalism and to the birth of capitalist society; a transition which took a revolutionary expression in all the social domains.

The statement of contradiction, the materialist dialectic, the philosophic theory of Marxism and at the same time the law of all real movement, seeks in all contradictions their unity - without, however, for that reason, confusing those contradictions - and sees in the spontaneous movement of contradictions their abolition, i.e. their resolution in a third form, which again produces and must overcome its contradiction. Since the Marxist analysis takes capital as its starting point, capital becomes the thesis, of which the proletariat is the antithesis. The dialectical law of the negation of the negation leads to the synthesis. This can only be the communist society, which knows neither capital nor proletariat, since it has taken up or resolved them both in their concrete forms. This is merely the falling off of a social husk, and, being a product of historical property relations, it is only in capitalism that this husk can possess concrete reality.History, like all reality, is dialectical, hence limitless. Each problem possesses no more than historical character. Marxism does not present itself as something absolute, but as the theory of the class struggle within capitalist society.

Not only, from the standpoint of Marxism, is the contradiction between capital and labor the beginning as well as the end of present-day society, but the progressive development of that society is to be seen only in the growth and sharpening of that contradiction. Capital being the result of the exploitation of labor power, so with the growth of capital, that is, in the course of the human progress under way in this historical period, the exploitation of the workers must of necessity be more and more intensified. If the possibilities of the exploitation of labor power in the present system were unlimited, there would be no reason to expect an end of capitalist society. But with the growth of the proletariat, the class struggle also increases, since at a certain point of development the productive forces of the workers can no longer be applied capitalistically. At that point, the proletariat, of its own accord, develops into a revolutionary force, which strives for and brings about an overthrow of the existing social relations.

Marxism, which perceives in the existence of the proletariat the realization of the dialectical movement of society, bases its theoretical justification mainly on the laws of economic development in general, and of capitalism in particular. Capitalist relations of production are not solely determined by nature (land as a basis for labor) and human activity, but these natural conditions are also subordinate to the capitalistic social relations. The concerns of human beings are not regulated from the point of view of their needs as human beings, but from the point of view of capitalist needs for profits.The decisive factor in capitalist society is not the production of use values but of capital; the latter is the motive power of the productive machinery. This dependence of human welfare upon the private interests of the capitalists is made possible through the separation of the workers from the means of production. The workers cannot live except through the sale of their labor power. The buyers of labor power, who are at the same time the owners of the means of production, buy this power only in order to further their private interests as capitalists, without regard to social consequences.

We have seen that in all forms of society, progressive development is illustrated in the continual growth and improvement of the means and methods of production, enabling the output of an ever greater

quantity of products with ever less labor. In capitalism, this same process expresses itself in a more rapid growth of the capital invested in means of production as compared with the capital invested in labor power. That part of the capital which is invested in means of production we call constant capital, since as such it enables no changes of magnitude; and that portion which goes in the form of wages to the workers we call the variable capital, since it adds, through labor itself, new values to those already present. In this way it is shown that the development of the social forces of production under capitalism is expressed in a more rapid growth of the constant capital relatively to the variable.

Capital, and hence its material form, the means of production and labor power, can, however, as already stated, function capitalistically only so long as this may appear profitable to the owners of the means of production. Coming into action only as capital, they must reproduce themselves as capital, a thing which is possible, on the capitalistic basis, only by way of accumulation. The surplus value, from which are derived the funds for accumulation, the additional means of production and labor power as well as the capitalists' profit, is, however, nothing but unpaid labor. It is that part of the workers products which is not consumed by them but was taken from them. Now since the surplus value is derived exclusively from the variable part of capital, and if this variable part must continually diminish relatively to the advance of accumulation, then the surplus value must, with mathematical certainty, continually diminish relatively to accumulation, even though it increases absolutely. This contradictory movement, by which with advancing accumulation the capitalistic rate of profit falls (the rate of profit is computed on the total capital, constant and variable),--a process denoted as the growth of the organic composition of capital,--is, however, up to a certain point of capitalist development, not at all dangerous, since at a rather low stage of development the system is capable of accumulating faster than the rate of profit falls, or, in other words, to compensate for the fall of the profit rate by the growth of the actual profit mass. This possibility is, however, no less historical than all other matters.

Accumulation there must be, and the lower the rate of profit falls as a result of this accumulation, the greater must the accumulation be. When accumulation goes out, the crisis comes in; the solving of the crisis is possible only through further accumulation, and necessarily at a continually accelerated rate. At a rather high level of capitalist development, when the tempo inherent in accumulation requires the further advance of accumulation in such measure that the absolutely swollen mass of profit is too small in relation to those demands for further accumulation, then accumulation must of necessity come to a stop, and the boom turns to crisis. In other words, capitalist accumulation devours for its own purposes, by which all society is conditioned, an increasingly large part of the surplus value produced by the workers; and in spite of the growth of this surplus value, it must nevertheless, at a high point of development, prove insufficient to meet the demands of accumulation. This law of capitalist accumulation, the primary cause of which is to be seen in the contradiction between exchange value and use value, between capital and labor, is confirmed as an actual law by all empirical factors involved. If accumulation comes to a standstill, by reason of the fact that there is not enough surplus value at hand for its continuance, then that part of capital which is destined for but is at the same time insufficient to meet

the needs of accumulation, lies idle and seeks in vain for profitable possibilities of investment. We are faced with the paradoxical truth that a shortage of capital gives rise to a superfluity of capital lacking room for investment. There is no lack of purchasing power, yet, in the capitalist sense, no use can be made of this purchasing power, since from this point of view it is meaningless, because unprofitable.

If accumulation is not continued, the situation must of necessity give rise to a general tie-up of human activity. The commodities destined for further accumulation can find no buyers. They lie unused, and from the over-accumulation results the general over-production of commodities; a circumstance which expresses itself in the closing and paralyzing of enterprises in all spheres of social life and hence in an enormous increase of unemployment.

The crisis also brings with it certain tendencies working to overcome it. The organic composition of capital is lowered by capital being destroyed through bankruptcies and devaluation. Through the export of capital and intensified imperialistic ventures, new sources of additional surplus value are created. Through general rationalization of working methods, further technical innovations in the productive process, cheaper sources of raw materials, as well as through the pauperization of the workers and the expropriation of the middle classes, etc., the quantity of surplus value is adapted to meet the demands of further accumulation. All efforts during the crisis serve to revive profitable capitalist operation on a lower price and value level. If this occurs, nothing stands in the way of a new upswing, which, however, after a certain time, as a result of renewed over-accumulation, necessarily turns off into a new crisis. These factors we call the counter-tendencies directed against the collapse of capitalism.

Like everything else, however, these counter-tendencies are of an historical nature. At a certain point of capitalist development, their effectiveness as factors in overcoming crises ceases. They become too weak in relation to the further demands of accumulation, or are already completely exhausted as a result of previous accumulation. (For example, capitalist expansion meets its objective limits long before it completes its march over the globe.) Furthermore, capitalist rationalization leads, as has been shown, to mis-rationalization, and the revolutionizing of technic, too, has its capitalistic limits. Neither can wages in the long run be kept below the workers' cost of reproducing themselves, nor can the middle-class elements be completely expropriated. Monopolization further lowers the possibility for capital expansion, and imperialistic ventures grow more and more dubious. But regardless of how or when the counter-tendencies are neutralized, it is clear to the Marxist that capitalism must of necessity reach a point where the past cycle of crises gives way to the permanent crisis which capitalism is powerless to overcome.

This permanent crisis, or the death crisis, of capitalism is a crisis no longer restricted by any counter-tendencies--a crisis in which the tendency toward collapse runs its course. But even here we are not presented with a single act, but with a process, a whole historical period. In such an economic condition, the relative pauperization of the proletariat, which goes with the whole of capitalist development, is bound to become absolute, general and permanent. During the upgrade period of capitalism, wages rose, since the cost of reproducing the workers continually increased also, though in relation to what they

produced, their portion was less and less. In the permanent crisis, their real living conditions are bound to grow worse, absolutely and uninterruptedly.

The condition of permanent crisis forms the objective basis of the revolutionary labor movement. The class struggle grows sharper and assumes more naked forms. On the other hand, the means of suppression employed by the ruling class are adapted to this new condition. While in the upgrade period of capitalism, "formal democracy" sufficed to permit the smooth operation of the social mechanism, in the permanent crisis capitalism has to take up with open dictatorship. In the place of "democracy" there arises, at a rather high stage of development, a political condition which today is called fascism. The fact that the ideological basis of fascism is formed by the impoverished middle class does not alter the fact that the fascist movement operates only in the interest of the now monopolized capital. Capitalist concentration, which goes on even in the permanent crisis, necessarily impoverishes also the middle strata of capitalists. The energies thus aroused within the middle class are engaged by monopoly capital for its own purposes. Parts of the petty bourgeoisie are granted concessions at the expense of the workers, though these concessions are only of temporary character.

By destroying the organizations and doing away with the limited "democratic" political liberties of the workers with the aid of the corrupted middle-class gunmen and the part of the workers under their ideological influence, capitalism thinks to secure its continued existence even during the permanent crisis. But even though, through terrorism, the workers can be politically atomized, their congregation in large masses is still necessary for industrial production. With the destruction of the old form of the labor movement, new forms necessarily arise; and since these forms are deprived of other means of expression, they must express themselves on the job itself, whereby their strength is increased a thousandfold. The workers-council movement, the organizational form of the revolution, thus arises naturally out of the very conditions which capitalism has created. The permanent terror is at the same time the political schooling of the workers. So that in the proletariat capitalism not only produces its own grave-diggers;it has also to demonstrate to the proletariat how they can fight successfully.

Even though the workers in great masses may never attain a revolutionary consciousness, in order to live they are forced to take up the fight against capital. And when they fight for their existence under the conditions of the permanent crisis, this fight, regardless of its ideological quality, is a fight which can only turn in the direction of overcoming the capitalist system. Until the successful revolutionary overthrow, the proletariat lives in barbarous, constantly worsening conditions, and the only possibility of getting away from that is communism; that is, the overcoming of capitalist relations of production , the abolition of private property in the means of production, which is identical with the abolition of wage labor.

Marxism is not only a theory which sprung from the existence of the proletariat and its position in society; Marxism is the actual class struggle between capital and labor, that is, a social condition in which the workers, whether they will or not, whether they are conscious of it or not, whether they know Marx or not, are unable to act

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otherwise than in accordance with Marxism, if they wish to maintain themselves and thereby at the same time to serve the general progress of mankind. While Marx himself actualized the Hegelian dialectic, that is, recognized the real, concrete movement as dialectical, Marxism can be actualized only by means of the fighting proletariat. A Marxist is not one who has mastered the Marxian theories; a Marxist is one who strives to actualize those theories. In a word: Marxism is not only a view of the world; Marxism is the living, fighting proletariat.

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The article above will be available in printed pamphlet form after May 1, 1935. It is being printed by the Council Communist Press of Chicago. Order from the United Workers' Party.

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We are pleased to announce that the pamphlet on the

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The Anti-parliamentary Communist Press of Glasgow are going to print the Rosa Luxemburg pamphlet "Leninism or Marxism?" It will be announced for sale in a future issue of Council Correspondence.

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NOTICE.

We are planning to enlarge the Council Correspondence somewhat and with the added expense of a larger issue we may have to raise the price of subscriptions. Council Correspondence has correspondents, revolutionary workers and writers in almost every country, and in addition to publishing the articles from these sources, it will also present the never-mentioned opinions of such Marxists as Rosa Luxemburg, Franz Mehring, Karl Liebnecht, Anton Pannekoek, Herman Gorter and many others. We will have articles from Henryk Grossmann, Karl Korsch and Edw.Conze in future issues. There will also be English translations from "Raetekorrespondenz" published by the Group of International Communists of Holland. Every Marxist needs the Council Correspondence.

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THE NEXT WORLD CRISIS, THE SECOND WORLD WAR AND THE WORLD REVOLUTION.

(Theses)

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(The following Theses are written by a comrade not belonging to our group Without completely approving them in their present form, we find them interesting and important enough to bring them up for discussion. Our readers are invited to take part in this discussion, which is begun in the present issue with a contribution by Karl Korsch.We shall close the matter with a statement of our own position in one of the following numbers of Council Correspondence.)

- Editorial Board -

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1. - The next world crisis is very likely to coincide with the second world war. We must at any rate be prepared for this possibility.

2. - The second world war will again place the working class face to face with a world-revolutionary situation. We are shocked to realize that the forces of revolution assembled in the revolutionary cycle of 1850-1917 are used up and that the new efforts in that direction are weak. It is our task to promote the organizational and ideational preparedness for the world revolution, to make clear what steps in this connection are ineffectual, which activities are merely action for tne sake of action (Scheinaktionen), and what possibilities of action are really open under the new conditions, and for our part to really make the most of each of these possibilities.

3. - We have been able since the beginning of this century to gain ample experience with regard to capitalist crises, capitalist wars and revolutionary convulsions of the capitalist world-system in its entirety. It is high time to bring order into this experience. We have mostly contented ourselves with explaining the causes of capitalist wars; an attempt must be made, however, to understand the capitalist structure of the World War, its function in the whole social process, in order that the process itself, its course, its action, its result may become clear.

The world-war crisis of 1913-1919 represents a combination of world crisis, world war and world revolution. It was shown that between capitalist States the immemorial alternation of war and peace--which in itself goes on in other connections--is involved in the industrial cycle. The industrializing of warfare brought it about that the industrial war has become a special form of crisis: the world-war crisis. What is true of any capitalist crisis whatsoever, namely, that it lays bare the disorderly and inhuman character of bourgeois society and

thus promotes the revolutionary tendency of the workers' class struggle aiming at the world order of labor, holds in higher degree of such a world-war crisis. At the beginning of the first world war stands the crisis, at its end the attempt at world-revolutionary action on the part of the working class.

The first world-war crisis forms the close of the upgrade period 1895-1913 ('long wave') and ushers in the present period; the distinguishing marks of that crisis make clear the special character of the present ('long') period of depression. In the world-war crisis destruction was the aim of a production intensified beyond its own measure. Since industry was converted to war industry, the presupposition for crisis was set once more within the crisis, overproduction occurred once more as production of materials of destruction and performed the special work of any crisis: destruction of value which cannot be turned to account. In this way the crisis overleaped itself. The over-production, in that it produced war, had apparently become profitable production. It had accordingly all at once gained a meaning, like the dying in the wire entanglements and the hunger back home,--an inhuman, capitalistic meaning. Fantastic war profits flowed into the pockets of individual capitalists. On the fronts, the competition assumed an heroic character. Literally cut-throat competition urged on to the extreme limits of performance and revolutionized technics and organization. Industry, in the form of war industry, experienced a feverish and deceptive upswing.In the meantime, however, there exploded in the steel tempests of the material battles and there flew away with the gas clouds over the shell-torn fields, the lucrative idyll of the two pre-war decades--for victors and for vanquished and beyond recall. Thus there followed upon the mild "trade crises" of 1901 and 1907--mostly signs which were not comprehended--the great world-crisis, and made an epoch. In this crisis it became plain what mighty productive forces had been concealed behind the capitalist business of peace-time. But once unfettered by war, the productive forces threatened to blow up the national-state system resting on wage labor and capital. This breakthrough of the productive forces taking place with the blind elementary power of a natural catastrophe has often been interpreted as the world revolution itself. There is no need for such arts of interpretation, which do away with the clear distinctions. For after the exhaustion of the military energies of capital, there came forward the true bearer of the productive forces, the working class itself, with the attempt at a world-revolutionary action. And it was only after the unvictorious exhaustion of the revolutionary energies of the working class that the gigantic efforts undertaken in this crisis, in this war, in this revolution, had again lost both their bourgeois and their proletarian meaning. To the capitalist class it became plain that the question had merely been one of over-production and destruction of value which could not be turned to account;to the working class, that the world-war crisis could be met only by world-revolutionary action, that when anything less is attempted in such a situation the class, as an army of millions, simply ceases to function in its history-making role.

It was only with difficulty that the new productive forces could again be forced into the capitalist world system for peaceful business purposes. As soon as the productive forces assembled up to 1913, destructively let loose in the first world war and since that time further increased, had been in motion after a fashion for a few years,

it came to light in the great world crises of the present time that the framework of the national-state social system resting on wage labor and capital has already become a crushing fetter upon those forces. To be sure, the effort made in the post-war crises to bind those forces once more to the production relation of wage labor and capital, and to the capitalist process of accumulation and to fit them into the framework of the national State was attended with success, but the capacity of the industrial apparatus cannot be completely utilized even in prosperity. National restriction of production becomes a method of overcoming crises.

Flatly contradictory judgments have been possible regarding the present period: "Decline period of capitalism" (Sombart, Varga, Corey), "Second industrial revolution" (O.Bauer, Boris). Judgments which hold to one side of the process just as abstractly as in the previous period the different theories of imperialism and their more or less belated progeny. The special character of the present ('long') depression period comes to light in the character of the world war crisis and of the post-war crises (1921, 1929). They are crises of the system. One is justified in expecting that the next world crisis will have the same character.

4. - Today, now that the passage from the acute crisis into the depression is accomplished (cf. mounting production figures in U.S.A., England, France, Germany, 1933; japanese export offensive, american strike wave), the prognosis may be made that once the general trade war which is now on has led to half-way useful results the severe and long-drawn-out depression will be followed by a breathing spell which will end in the next world crisis. There are no grounds by which we could be moved not to count upon the next world crisis around 1940 as upon a reliable anticipation, and to take our measures accordingly.

The new monopolistic forms of State and Capital--children of the great contemporary crises--fulfill the special task of political economy in the present period: to attain at least the highest measure of expansion of the transcending productive forces within the given framework Capital and State--those two sides of the basic social relation, wage-workers vs. capitalists--have been smelted together by the world crises into a single armor-plating, to the end of assuring their continued existence. From the automatic subject Capital with the sponsor State as a special organ there has grown the unified state-subject Capital. The State today is more than the merely 'ideational' total capitalist, as may be seen from its multiplied functions. Through an injection of fresh blood from the middle class, the ruling class has taken on a new aspect and, with the means of political revolution and social reform, subjects the working class and all other elements to far-going changes. The state-subject Capital seizes the monopoly on class struggle. The breaking up of all class organs of the workers is its first accomplishment. A ruthless social-pacification process is introduced with the aim of 'organically' incorporating that part of capital represented by wage labor into the new State. At the same time a far-flung reorganization of the capitalist class is undertaken for the purpose of adapting it to the special task of political economy in the present period. There is today a whole scale of degrees of the fusion of State and Capital. The differences have their root in differences in the history of the various nations, and are not of a fundamental nature. (1. Identity of State and Capital, centralized planned economy

under individual responsibility of the various shop leaders:bolshevist state capitalism. 2. Creation of special authoritarian organs of political economy, to which the individual independent entrepreneur is required to conform: national-socialist "economy steering" (Wirtschaftssteuerung). 3. Corporative self-discipline of the capitalists under state control: fascist "systematic intervention". 4. The american N.R. also, though on the whole of a different sort, reveals related features Etc., etc.) In the place of private-economy profitability there enter national-economy profitability. The state-subject Capital organizes th domestic market, regulates (a national "general cartel") the prices an thereby at the same time sharpens the international competition.The international trade policy has become the vital question of the States, ("Twilight of Autarchy"). The new monopolistic forms have accordingly not only not held up the cyclical course of world economy, they also fail to withdraw their own sphere of influence from the "natural law" of capitalism. As regards crises, those forms can only bring about within the state economy (insofar as they do away with the automatic nature of the process) a different distribution of the over-production periodically setting in and of the hunger with which it is bound up, (cf. Italy and Russia in the latest crisis).

5. - The productive forces released in war at the beginning of the present period and since then further increased, can no longer come to unfoldment in the given framework of politics and economics otherwise than by way of crisis in a second world war. That is what is at the bottom of the present world unrest. It becomes ever clearer that the anti-crisis campaigns of the new monopolistic state economies have at the same time the character of preparedness measures. More and more is military preparedness the essense of that very industrial energy by which the world is driven forward (motorization, aviation, chemistry, etc.). In long-term production plans, explosive material is being heaped up and stored on a large scale. Likewise the social pacification policy is preparation for war. The disarmament ideology is being replaced by vita militante, soldierly spirit and security. (The Labor Party, in its "Memorial", wheels into the war front: "punitive war against peace breakers" packed in the sepulchral ideology of the League of Nations. The Comintern is entered in the war preparations through the franco-russian alliance.) The incentives to conflict are numberless, the most important being the japanese expansion in the Far East, the central focus of the second world war. Thus this war is being prepared partly in conscious planning, partly behind the backs of the participants.

And here we have the contradictory drama that those very forms of state and economy which are characteristic of the present epoch actually need and want peace--in part because their preparation for war is incomplete, in part because they are frightened by the vague suspicion that the state system resting on wage labor and capital will not, even in its most modern form, outlast the second world war--and that it is precisely these States which are preparing the war most effectually. They reveal themselves more and more as transitional forms to this second world war, which in all probability will coincide with the next world crisis.

6. - It must be understood to what extent the new monopolistic forms render the workers' world revolution easier and what are the real difficulties of the new situation.

The series of national, political revolutions resulting from the post-war crises, once the revolutionary force of action of the working class was exhausted, has created on a national scale a new order which internationally is much of a kind, an order which in the second world-war crisis will reveal itself as dangerous disorder of the world. In the second world war it will become plain that there is only one convincing program: the world order of labor, and that the liberation of the workers is the precondition for its actualization. If, however, the workers then fail to win their freedom, the new means of mastery which the ruling class has today constructed on a national scale will be extended by it internationally on ruins and blood and the productive forces subjected to a still sharper discipline. That will be the essence of the new world-revolutionary struggles. The free unfoldment of the productive forces is assured only through the action of the producers.

That sluggishness which settled over the labor movement and which was the precondition for the victory of national revolutions was not so much the consequence of individual revolutionary defeats, but above all the consequence of the paralyzation and disintegration which was brought about by the actual tying up of the labor movement with social-reformist and politico-revolutionary tasks, hence the actual tying up of bourgeois and proletarian revolution. Since the labor movement down to 1914, engaged in wage struggles, pay-rate negotiations, ballot battles and social politics, had actually not taken steps to break through at any point the framework of the form of state and society resting on wage labor and capital; since by the side of this actual "day-to-day struggle" the "final goal" (as it was called) embraced, as its accompanying ideology, at most the idea of "political revolution", and since the proletarian-revolutionary minorities, transcendant utopian under-currents, could themselves under these circumstances furnish no more than a further ideological supplement to the actual intra-capitalist wage-worker movements--in a word, since the revolutionary energies assembled in the cycle of 1850-1917 were concerned with national tasks--the workers entered wholly unprepared into a situation in which they could win only on a world-revolutionary scale. It remains to the undying credit of the russian October revolution that in its first, heroic phase the russian revolutionists still made the attempt to push forward their russian revolution as the incipient world revolution. The working class failed, as it showed, to keep pace with the tempo of the material battles. The destructive work of the World War had created conditions with which the available energies of the labor movement failed to cope. The workers "drew back before the enormousness of their own aims". For the moment, there followed inexorably that sluggishness which prevailed for years. Of the Comintern there remained only a mutilated and crumbling fossil.

It appeared that at many places there was still need of a national recuperation in order to create the presuppositions for the workers' revolution. For this reason even the national revolution of 1917 contains the element of counter-revolution. The victory was won not simply by the bourgeois revolution against the workers' revolution, but the national limitation of the revolutionary struggles, their pervasively national genesis and task branded in advance even the "russian" revolution with the element of counter-revolution. Each national victory of the revolution was, as such, already counter-revolutionary. And this is not in the least altered when one interprets the series of national revolutions of the present period as the "permanent revolution"

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and pours over them the ideological camouflage of the proletarian world revolution.

This state of things serves to explain the peculiar bolshevist-fascist twilight lying over the world today. Revolutions win counter-revolutionarily, counter-revolutions revolutionarily. Something completely unexpected occurred: the workers having been worn out in the struggle, the bourgeoisie shaken in its self-confidence through unexampled world crises, the Third Estate, roused up by war and crisis, "awoke". To it, the twilight between the great decisions is the most becoming illumination. It develops the "new activism", has visions, speaks in tongues. It discovers that one really belongs to no class at all, but to an estate With good reason it evokes the military spirit for the cranking up and serving of the industrial apparatus, which still bears on itself the easily legible trade-mark "World War". It becomes the preacher and banner-bearer of the only thing possible in the given framework: the new monopolistic reorganization of capital, which corresponds to the special task of political economy in the present period. With the aid of the insurrection of the middle elements it rises in great numbers into state positions, and thus in part incorporates itself personally with the state-subject Capital.

To monopolistic capital this personnel supplement comes in very handy. For the worker revolutionists the new condition is gratifying: the fascist third estater as chancellor or minister of monopoly capital is better than the Socialist a la Severing or Norman Thomas. Now that the political revolution and the only possible social reform has won against the workers, and turns out to be their complete lack of freedom, the workers have at least won the negative freedom for their own gigantic ends. No Kautsky and none of his russian disciples can still entertain the notion of whispering to them "from the outside" what their "historical mission" truly is. No Bernstein and none of his english teachers can still make it appear to the workers that taking up places in the state apparatus is a "growing into socialism". One has only to bring out the dusty portraits of the marxist twins and the change becomes clear at once. The umbilical cord between bourgeois and proletarian revolution is severed. The world-revolutionary overthrow of Capital and State has become a palpably concrete task.

The genuine difficulties of the new situation, however, all spring from the circumstance that the revolutionary movements of the working class, in spite of embittered struggles in all countries throughout the world, must on the whole begin all over again at the beginning while at the same time, with the approach of the second world war, a world-revolutionary situation already enters the range of vision.

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REMARKS ON THE THESES REGARDING THE NEXT WORLD CRISIS, SECOND WORLD WAR AND THE WORLD REVOLUTION.

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By Karl Korsch.

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In analyzing these theses, one will do well to leave out entirely the first three paragraphs (i.e. Theses 1 and 2, the first paragraph of Thesis 3). They contain in part unsupported assertions (the 'likely' coinciding of the next world crisis with the second world war), in part subjective experiences of the author, (his 'shock' at noting that the forces of revolution previously assembled are used up), in part æn enumeration of the points to be clarified and defined in the Theses themselves. It is not until we come to the last sentence of this section ("We have mostly contented ourselves with explaining the causes of capitalist wars", etc.) that we get something which serves as a real introduction to the analysis of the World War beginning immediately thereafter.

With this omission, the structure of the Theses becomes quite clear. In the first part (remainder of Thesis 3) is discussed the pre-history and history of the present crisis period setting in with the World War; in the second part (Theses 4 and 5) the further development after the "transition from the acute crisis into the depression" and the prospects for the next world crisis coinciding with the second world war. Thereupon follows as third part (Thesis 6) the exposition of the "satisfactions" and "difficulties" arising from the new state of affairs and the tendencies revealed therein for the workers' world revolution, together with a backward glance at the "sluggishness which settled over the labor movement" prior to the present state of affairs, the cause of that sluggishness and the now visible overcoming of those causes.

This general glance of itself brings out a peculiarity of these Theses The present world economic crisis which has lasted since 1929 and which at least in some respects has kept on growing deeper and sharper, and in a certain sense even the "present" in general, in this analysis of the total situation of the labor movement of our time is quite left out of consideration. It is not with relation to this present-day crisis, but with relation to "the post-war crises", or the "great world crises of the present time", of which therefore the present crisis forms only a special example, that it is stated (in next to the last paragraph of Thesis 3) that in them, to be sure, there came to light, on the one hand the fettering character of the national-state social system resting on wage-labor and capital, but that on the other hand the effort to bind the productive forces once more to the production relation wage-labor and capital and to the capitalistic process of accumulation and to fit them into the framework of the national state was "attended with success Likewise in the last paragraph of Thesis 3, the "post-war crises (1921, 1929)" are, to be sure, on the one hand (in connection with the "present depression period", following, in the cycle of the "long wave", upon the "upgrade period 1895-1913") denoted as "crises of the system", but on the other hand the idea of final crisis which such an expression seems to imply is forthwith dismissed by way of the following "expectation" that "the next world crisis will have the same character."In the

next sentence (Thesis 4) the "acute crisis" has already become no more than a thing of the past, from which the transition into the "depression period", with a "breathing spell" following at the latest within a few years, is said to be already accomplished.

In the same way, everything that is said in these Theses regarding the situation, tasks, prospects and difficulties of the labor movement of our time is nowhere related to the present, but to the "next world crisis", the "second world war", (closing sentence of Thesis 5), and the therewith approaching "second world-revolutionary situation" (closing sentence of Thesis 6). The Theses deal, that is, practically not at all with the actual present, which is passed over as quite uncertain and undeterminable, but with a future computed, without any apparent basis, with complete certainty in terms of years: "There are no grounds by which we could be induced not to count upon the next world crisis around 1940 as upon a certain anticipation and to take our measures accordingly". In reality, the author of the Theses could say at most, in view of his previous very general disquisitions, that if we have special positive grounds for anticipating the world crisis "around 1940", no counter-reasons come forth from the presently visible general tendencies of economic development. But even apart from such special defects in the formulation and support of individual assertions, this actual disregard of the real present and fictitious actualization of a "likely" revolutionary situation in the future is a blow at the very foundations of these Theses as regards their materialistic-practical character. The place of such a character is taken, on the one hand, by pure idealism and idealistic subjectivism, which sets its standpoint "over against" objective reality, and on the other hand, as the unavoidable polar supplement, by that pseudo-materialistic objectivism which speaks of the necessity of given historical processes in a too general manner, without "thereby" determining its standpoint.

While the connection between such hitherto always too isolatedly regarded phenomena as world crisis, war and revolution, or Capital and State, in modern monopoly-capitalist society, has been demonstrated in these Theses with much force from the objective side and represented in striking and sometimes new and original formulations, the practical task springing from this objective connection for the working class has been proclaimed only in abstract manner. The author contents himself in this respect with the simple repetition of the one phrase, "world revolution", which now, however, from this subjective side, remains quite indeterminate and without content. We learn from him positively only one thing, namely, that as a revolutionary activity of the workers in the present epoch nothing less can avail "us" than this "world-revolutionary action of the working class", to be carried out directly and as a whole, and the organizational and ideational preparedness directed immediately to this goal(Theses 2,3,4,6). It is only this direct "world revolution", he says, which at all deserves the name of a "working-class revolution". When "anything less is attempted" --as already shown by the movement in the period following the late war and which in victory and defeat failed as revolution--"the class, as an army of millions, simply ceases to function in its history-making role". Every revolution which either at its very beginning or in its further course is limited to a single country is said to contain unavoidably "the element of counter-revolution", and this holds in particular of the "russian" revolution of 1917. (Beside this one, the author of the Theses is aware of still others, a whole "series" of national political revolutions flowing from the post-war crisis and for the "victory"

of which the preceding "sluggishness which had settled over the labor movement" had formed the precondition. What other victorious national revolutions are meant by this does not become clear). The attempt of Trotskism to set in place of the real world revolution its mere "ideological camouflage" by interpreting the series of national revolutions of the present period as the 'permanent revolution'"is expressly waved aside. And all those "proletarian-revolutionary under-currents" which in the previous period "transcended" the limited character of the then labor movement, "tied up with social-reformist and (only) political-revolutionary tasks", are denoted without exception as mere "utopian" tendencies which leave unchanged the actually intra-capitalist wage-worker movements of that time, but were able to furnish them "merely a further ideological supplement". So that the "workers' world revolution proclaimed in these Theses remains a pure dream of the future (Zukunftsmusik) for which in the past and present, apart from a few attempts undertaken at the end of the "first world war" but in the meanwhile completely exhausted and 'decayed'(among them particularly the 'heroic attempt of the russian october revolutionists to push forward their russian revolution as the incipient world revolution), in the actual movement and development of the working class there is still no real beginning. Though in Thesis 2, after the constatation of the used-up character of all the "energies of revolution assembled in the revolutionary cycle of 1850-1917", we at first still have a reference to certain, though 'weak' new beginnings, still at the end of the Theses it is expressly stated that "the revolutionary actions of the working class must, on the whole, begin all over again from the beginning". This state of affairs is, to be sure, on the one hand denoted as a 'difficulty' (the only "genuine difficulty of the new situation"),but on the other hand also celebrated as the final "severing of the umbilical cord between bourgeois and proletarian revolution" and hence as a "gratifying state of affairs for the worker revolutionists".The workers--we might briefly express the sense of this closing part of the Theses--at that zero point of their revolutionary action at which they have now finally arrived, have "at least won the negative freedom for their own enormous ends".

Against this assertion there is first to be objected that as a matter of fact it is not true. When the Theses state, among other things, that now none of their old dilapidated and bankrupt leaders can no longer presume to whisper to the workers what their "historical mission is": the sad reality shows rather the contrary. They can so presume,they can do it and they do actually do it, and the workers also listen to them, not only in England and other extra-german countries, but also in Germany, and again today more than in the first period after the unresisting capitulation of both the old social-democratic-communist party leaderships before the hitlerian "national and socialist revolution" Secondly, however, this "negative freedom" of the workers from all the influences through which they have hitherto been "diverted" from their own. ex hypothesi "enormous" (i.e. still completely undefined and unformed) ends--such freedom would be at the same time their "freedom" from their whole previous history, inclusive of all the fighting experiences won in this history, and the reversion of the working class out of that determinateness which it has won in its previous development to the initial state (given through their mere economic existence as suppressed and exploited class within capitalist society) of the "class in itself". It is impossible to conceive how it could pass over all at once and without a new "drawing back before the undefined enormousness of its own tasks" out of this condition of an absolute

freedom, i.e. of an absolute nothingness, through the mere "approach of the second world war" and the "second world-revolutionary situation to which it gives rise, to that highest reality and determinateness of a direct and total truly proletarian, truly class-befitting, truly world-embracing genuine workers' revolution for which alone, in the view of the author of these Theses, the throwing in of the proletarian forces, after the bitter experiences of the past, is still at all worth while and without the full attainment of which any new militant activity of the workers must lead merely to another and still worse decline into sluggishness. As a matter of fact, it is not the rousing call to action (that is to say, to the directly world-revolutionary action of the workers in connection with the next world-war crisis "around 1940") but the fearful punishment set on the failure to follow this last warning--it is this punishment which forms the real content of the prospects expressed in these Theses. The author says in effect: there is offered to the workers once more--at a period now lying only a few years in the future--that incomparable opportunity of which they failed to make full use at the end of the "first world war". "In the second world war it will become evident that there is only one convincing program: the world order of labor, and that the emancipation of the workers is the precondition for its actualization. If the workers then fail, however, to win their freedom, then the new means of mastery which the ruling class today has constructed on a national scale will be extended by it internationally on ruins and blood and the productive forces subjected to a still sharper discipline. That will be the essence of the new world-revolutionary struggles." Here in the very formulation it remains undecided whether, after all, these new "world-revolutionary struggles of the near future as well will not in their actual result lead rather to the "international extension" of the "new (fascist) means of mastery" than to the "emancipation of the workers" and rather to a "still sharper (fascist) discipline" than to the "free unfoldment of the productive forces".

At this place we come up against a point from which it becomes imperative to attack not only the subjectively practical content of these Theses, but at the same time their theoretically objective content; that is, the theoretical analysis which they give of the historical development and of the objective developmental tendencies coming to light therein. The question arises whether there is not concealed even in the objective combination of world crisis, war and revolution, as it is given in these Theses twice (once retrospectively for the first world-war crisis 1913-1919, the other time prospectively for the impending new world-war crisis of a near future), some capitulation or other before the violent attack of the capitalist-fascist opponent, an attack which at the present moment is obviously felt as over-powerful. With such capitulations, defeatist states of mind and prison ideologies the entire european labor movement is teeming today, and even the revolutionary tendency within the labor movement shows some of the same affliction.

If from this critical point of view one examines the objective theoretical content of the present Theses, at first everything appears here in the best, revolutionary order. It is a revolutionary attack on the enemy position, and no capitulation, when the "immemorial(?) alternation of war and peace"--which apparently (not, as stated in the Theses with a too far-going adaptation to the opponent's ideas, "in itself") "goes on in other connections"--is recognized as "in-

volved in the industrial cycle" and modern "industrial warfare" is recognized as a special form of capitalist crisis. To be sure, this new and revolutionary insight is presupposed in the Theses as a directly obvious state of affairs rather than supported and proved, and the characterization of war as a form of capitalist crisis which in its very course becomes intensified once more to crisis still contains in this unmediated form a metaphorical and mystifying character. The equating of war to crisis loses, however, even this final remnant of apparent mystification when one adds the plain and in no sense metaphorical observation that the special mode of production of modern war a mode of production which does not produce products and means of production, but destruction and means of destruction--represents nothing more than a normal manifestation of capitalist production. The capitalist mode of production has constantly contained and contains in itself at all its stages of development both kinds of production, that of the creation and that of the destruction of products. Both form inseparable components of capitalist production in its specific social form as "commodity production", that is, as production not simply of products, but of products as commodities, and this historical mode of production is not complete until we have both together. What comes up newly today is simply this, that now even certain formal distinctions which hitherto have ever existed between the two phenomenal forms of capitalist production (the so-called normal production for peace, and the other--in reality no less normal--production for war and in war) are being more and more eradicated through a process of mutual assimilation and that thereby the inner identity of these two equally legitimate branches of capitalist production is made manifest. In an epoch when a part of the "normal" production in peace-times consists in the conscious and "planful" mass destruction of products, means of production, productive forces and producers, when at the same time the relative weight of the so-called "war industry" even in peace exceeds by far and in rapidly increasing measure that of any other single branch of production, and each special branch of production in its turn is treated potentially even in peace and on the approach of war then also actually as a mere subordinate department of the one unified war industry,--in such conditions it appear only logical that war itself, which according to aim and mode of existence is no longer to be distinguished from war industry and peace industry, should finally no longer be distinguished from these other branches of capitalist commodity production, even in thought. If one has taken this step, then that paradoxical sentence in which war itself is regarded as a mere special form of the crises unavoidably occurring periodically in the course of capitalist production, that is, as a crisis which in another, more direct and more simple manner "performs the special work of any crisis, destruction of value which cannot be turned to account" --this sentence of the Theses thus becomes not only understandable as a plain, matter-of-fact observation. Rather it also becomes clear forthwith why in the process of war now going on even in the forms of capitalist production "the presupposition of crisis is set once more within the crisis", in that the "over-production" occurring in every crisis occurs here also in the form of a "production intensified beyond its own measure"--production of materials of destruction and of destruction itself. This intensification of the crisis to a new crisis occurring in the crisis itself is in fact the unavoidable tendency breaking through in war and peace, a tendency which came clearly to light in the late World War and which by reason of the further development of the capitalist forms of production (in their now recognized

double mode of existence as genuine forms of production and forms of destruction, both of which under capitalistic relations combine to form an indivisible whole and of which only the two together represent the concrete reality of capitalist commodity production) has kept on growing stronger and must continue to grow still stronger in the future. The present development of the capitalist mode of production is thus heading, in one and the same process, both toward the new crisis and the new war, and toward the combining of both in a new world-war crisis though which, for the class of real producers uniformly suppressed and exploited in war and peace, the presuppositions for a new world-revolutionary situation are from the objective side being actually fulfilled. The masterly (in spite of its brevity) clarification of this objectively revolutionary situation is tantamount to a genuine, and in its consequences for the preparation and carrying out of the revolutionary struggle of the workers, also practically important further development of our insight into proletarian revolution.

And it is likewise a revolutionary attack on the enemy position, and no capitulation, when in the Theses the line of separation sharply drawn by the old marxist theory between economics and politics, Capital and State, is in tendency blotted out and the "State" converted from the merely 'ideational' to the actual "Total Capitalist", and the automatic subject "Capital" with the sponsor "State" as special organ is smelted to a "unified total-subject Capital". The struggle against the capitalist State has today, as a matter of fact, become in a quite different, more direct manner a component of the revolutionary proletarian class struggle against capitalist mastery than it was in the earlier period when the socialist labor movement actually (as admirably represented in the Theses) continually moved about within the (on both sides unsatisfying) contradiction of social reform and (only) political revolution and consequently the workers were unable on either field to arrive at the full concrete reality of their social-revolutionary struggle. It is also a revolutionary criticism which strikes at the heart not only of the present-day enemy, but also of the earlier and present-day false friends of the labor movement, when it is stated in the Theses that through the seizure of power by the hitlerian National Socialism "the political revolution and the only possible social reform against the workers has won" simultaneously and hence at the same time the (in result) counter-revolutionary character of both these ostensibly progressive goals of the now surpassed forms of the labor movement has become manifest.

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By the side of these real revolutionary intensifications of the proletarian attack on all the old and new forms of incorporation of the capitalist state and economic power there is, however, in these Theses also a series of formulations through which the one struggle which lies open to the workers in Germany, the struggle against what there today is the only incorporation of the capitalist class rule, is rendered vague and ambiguous. It is a dangerous tendency, in its consequence for the revolutionary unfoldment of the proletarian force of attack in the present historical period of development, when in these Theses the lapidary statement is made that through the new monopolistic forms of State and Capital the task of attaining "at least the highest measure (!) of unfoldment (!) of the transcending (?) produc-

tive forces in the given framework" is in the present being fulfilled. Let us recall in this connection also the preceding thesis in which the present world economic crisis was proclaimed as a thing of the past, now overcome, and the transition into the depression with the prospect of a "breathing spell" soon setting in and coming to a close in "the next world crisis" was announced. Let us recall, further, the peculiar form with which, later on in these Theses, there was denoted as another, and in reality perhaps more probable prospect for the international further development of the present world condition, by the side of the complete unfoldment through the proletarian revolution of the productive forces tied up in the inadequate "national" framework, also the merely "still sharper discipline" of these productive forces through the extension of fascist mastery on an international scale as well. It is seen that these three formulations taken together--the crisis already belonging to the past, the solution of those tasks whose continuing solution according to the marxist doctrine forms the real material content of the whole world-historical development, but at the present time being accomplished by victorious fascism on a national scale, and in future perhaps to be accomplished by it still further on an international scale--these three formulations result in a way of future historical development on which, between world crisis, world war and world revolution a quite different, exactly opposite form of union may be brought about than the one which the author of these Theses has in his subjective consciousness and would like to proclaim as a fighting slogan for the revolutionary proletariat. In the place of the bursting of the capitalistic fetters and of the unfettered free development of the productive forces, there comes first in the national and thereafter possibly also in the international framework their maximal unfoldment (violently 'attained' by victorious fascism without the bursting of their present capitalist form) in the way of a still further sharpened "discipline". First attacking nationally, and then extending the captured positions on an international scale, Fascism accomplishes its "historical task", in that it shows to capitalist society, menaced on the one hand by the social revolution, and on the other by its own dissolution, an heroic way out and forces upon it the choice of this heroic way. With this perspective, however, the social revolution of the proletariat is converted from a general necessity of the development of human society into the private affair of an isolated class or even only of an interested band of jewish or other racially foreign agitators.

The ambiguity brought into the Theses through this formulation regarding the presently given economic possibilities of social development is still further strengthened by way of an equally ambiguous political formula occurring in the same connection: "The state-subject capital seizes the monopoly on class struggle". That may mean, and does in fact mean according to its first and most obvious sense, that the fascist State suppresses the whole previous class struggle of the wage-workers against capital. "The breaking up of all class organs of the workers is its first accomplishment". To the quite correct observation contained in this first sentence there would only remain to be added, from the standpoint of a clear marxist conception based on the fact of the class struggle, a further statement throwing light on the point as to what change is experienced, as a result of this "monopolization" through the fascist State, by the other side of the class struggle hitherto carried on under capitalist society, the class struggle of capital against the wage-workers. This statement would have to

demonstrate, say, that the fascist State--bound up in the closest manner with large capital and, 'though formally set over the individual capitalist, yet in its general material existence unconditionally dependent on capital--continues to carry on, in this other, expanded and sharpened form, "on behalf on the State", that 'monopolized' class struggle against the workers. Finally, from a truly dialectical, i.e. practically materialistic and revolutionary marxist conception, there would have to be added that the fascist State, by reason of this continuing, expanding and sharpening of the class struggle which it has "monopolized", is at the same time on its own part exposed to the continued, expanded and sharpened class struggle of the workers. Instead of this class-befitting, dialectical and revolutionary conception, the formula of the "monopolization of the class struggle by the fascist State" is based on a different conception, as the very next following sentences prove. The author of the Theses entertains the idea that in this "monopolization of the class struggle" in its two antagonistic forms as a struggle of wage-labor against capital and of capital against wage labor, the fascist State is, as a matter of fact, at least temporarily and on a national scale being successful: "A ruthless social-pacification action with the aim of the 'organic' fitting of that part of capital represented by wage labor into the new State is introduced. At the same time, a far-flung reorganization of the capitalist class is undertaken, in order to adapt it to the special task of political economy in the present period. . . . In the place of private-economy profitability there arises national-economy profitability. The state-subject capital organizes the domestic market, regulates (a national general cartel) the prices...."

All these tasks, then, according to the statements here quoted from the Theses, are fundamentally being accomplished by the fascist State in exactly the one manner in which they could be accomplished by a revolutionary workers' state proceeding from a genuine workers' revolution, insofar as this State should remain limited to the national framework, or should later on become so limited. It is expressly declared that between such different forms and degrees of the fusion of State and Capital as, on the one hand, "bolshevist state capitalism", and, on the other, the fascist "systematic intervention" and the national-socialist "economy steering" there is no difference of a fundamental nature. In reality, with this failure to make distinction between historically oppositely directed developments, and with the whole supporting undialectical appraisal of the economic and political possibilities of a fascist or national-socialist State remaining fundamentally in the capitalist framework, the historical accomplishment and capacity of accomplishment, hence also the force of attack and defense of the at present triumphant fascist-national-socialist counter-revolution is monstrously and, for the development of the proletarian counter-movement, damagingly overrated. In order to make clear the measure of this over-rating, we may recall that such a monopoly on the class struggle as, according to these Theses, the hitlerian National Socialism and the mussolinian Fascism have today 'seized' was not laid claim to even by the revolutionary dictator Lenin for his revolutionary "workers and peasants' State" in the "war communist" development of the year 1920. In the disputes waged at that time, prior to the transition to "NEP", regarding the future character of the soviet-russian trade unions, the most that Lenin had ventured to suggest was in substance that the trade unions should restrict themselves in future to the ordinary class struggle for the purpose of safeguarding the workers' direct interests within the

framework of the soviet economic and state system and should henceforth renounce the revolutionary intensification of this struggle, now that the further extension of the revolution had become the immediate task of the soviet State. In the later development of russian state socialism and state capitalism, in the forms of NEP and Neo-Nep, even this right, at first granted by Lenin, to the ordinary class struggle for the workers' immediate interests was, as we know, again denied to the trade unions. The present-day stalinist state capitalism has, that is, just as did the dictatorial state of Hitler and Mussolini, completely conferred upon itself the "monopoly of the class struggle". But neither in the one case nor in the other (and in the latter case, if only because of the incomparably weaker position of these capitalistic counter-revolutionary "dictatorships" as against the claim to profit on the part of private capital--a claim which was never fundamentally or actually broken--much less than in the Lenin-Stalinist dictatorship) has this ideological "monopolization" of the class struggle in the hands of the State even for a time and within the national framework been actually realized. Just as according to the international principle of revolutionary Marxism, proletarian socialism cannot be constructed "in one country" either wholly or in part, either permanently or for a time, so also according to the same principle the class struggle in its two antagonistic manifestations cannot be done away with "in one country" or converted into a simple component of the economic and political ruling functions exercised--without contradiction within the national boundaries--by the State.

To the two tasks of the fascist economic and state power which in these Theses are recognized as capable of accomplishment within the national framework, the author himself sets a limit. In the single place where he thinks "dialectically", i.e. truly materialistically and practically revolutionarily, he declares that "the state-subject Capital", in that as a general cartel it regulates the prices, "thereby at the same time (!)sharpens the international competition". "The international trade policy has become the vital question of States ('Twilight of Autarchy'). The new monopolistic forms have therefore not only failed to hold up the cyclical course of world economy; they fail also to withdraw their own sphere of action from the 'natural law' of capitalism

But even apart from the fact that the--here directly geographical--limit set for the accomplishment of the economic and political tasks of the present world development by means of Fascism is later, after all, regarded as not entirely insuperable, but rather that the possibility of its being crossed by a Fascism extending internationally its new means of mastery is expressly admitted, this final introduction of the dialectical manner of looking at things, through which a positive solution of the tasks set by the present development of the productive forces and productive relations is in the fascist framework nationally and internationally precluded, comes much too late. Just as dialectically as the regulating of the domestic market through the fascist state-subject Capital actualizes itself on an international scale as a sharpened competition which very quickly recoils upon the domestic market as well, so the alleged 'solution' of the economic and political tasks of Fascism becomes involved in advance, within the production process itself on the purely national scale, and from the first step onward, in ever new and sharper contradictions. At this place it would have been in order to take up a truly marxist, materialistically practical analysis of the present and future combinations of world crisis, world war and world revolution, and to proclaim the present

struggle of the proletariat in each country and on an international scale against the here and now present form of capitalist mastery, and all its expressions, as the single genuine content of the proletarian "world revolution."

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CAPTURING THE A. F. of L.

The development of the American labor movement has been different from that of Europe and England in several respects. The trade union movement here not only refrains from independent political action, but actively supports the capitalist parties. Repeatedly the socialist and communist movements have tried either to capture or to destroy the American Federation of Labor. These tactics have fluctuated between "boring from within" to outright organization of dual unions. The history of these efforts is interesting.

The developments of trade unions during and since the world war necessitate a complete revision of the earlier conceptions by Marxians. The expectations of the Communist Manifesto have not been fulfilled. Hopefully as the unions were greeted in 1848 and as lately as 1870 in the days of the First International, they have now definitely assumed a reactionary character.

Although the American movement shows considerable differences in development from that of Europe, the trade unions of Europe and America alike demonstrated their reactionary character. The Socialist unions of Europe were no less enthusiastic in their support of the mass slaughter than Gompers and his cohorts in America. The reaction of both sprang out of their inherent qualities, from their preferred positions in capitalist society, from their fear of losing their treasuries and "achievements", from their general satisfaction with the status quo.

The trade unions of Germany were as conservative an influence on the German labor movement as were the revisionist Bernstein, and the agrarian Vollmar. They insisted on and established the principle that they be not expected to come into action for any revolutionary purpose, and were as autonomous of the German workers' political movement as the A.F. of L. was of the American Socialist movement. The opportunism of the German Social Democracy winked at and even encouraged the reaction of the unions. The Socialist concessions to the unions ensured Pyrrhic parliamentary victories, and the lesson so clear to American revolutionists at an early date--that the predominant unions were reactionary and hopeless--was not learned by the few revolutionists in the European movements until too late. As a consequence, the German unions paved the way for Hitler. They were unwilling to risk their existence on "revolutionary adventures". They actually preferred Hitlerism to communism, for they were much more aggressive against communism than against Hitlerism.

The Austrian trade unions likewise hesitated and temporized, and like the Germans paved the way for the politicians who finally destroyed them.

The British trade unions, unwillingly were precipitated into the 1926 general strike and then recoiled in horror at their own temerity. Now they are passive while dole and wage cuts are proceeding apace.

A review of American trade union history will show the development of this reactionary tendency to a point where it becomes obvious that the American Federation of Labor--the junction of unions under the constitution and laws of that federated body--must be destroyed as a definitely counter-revolutionary force. Its form of organization is not susceptible to change. It is so removed from rank and file control that even a severe crisis arousing the members of the unions composing it would keep them helpless and powerless. It is essentially an organization of officials whose comfortable, well paid jobs and political connections have reconciled them to the capitalist system, and who would fight to the bitter end against proletarian victory as a direct threat to their positions. A real proletarian victory is possible only after this bulwark of reaction has been destroyed.

While history is but the recounting of the dead past, the history of the attempts to change, reform, and displace the A.F. of L. will enable us to form a correct estimate of the A.F. of L. and to formulate the position of revolutionary workers in relation to it.

These attempts may be roughly divided into four major actions: first, the organization of the Socialist Trade and Labor Alliance, 1895; second, the organization of the I.W.W., 1905; third, the Great Steel Strike, 1919, and the subsequent organization of the Trade Union Educational League; and fourth, the organization of dual unions by the Communist Party from 1928 onwards.

The first major conflict between the A.F. of L. and the Socialist movement occurred in 1890. At the Detroit convention of the A.F. of L. in that year, the Central Federated Union of New York was refused a charter because it admitted delegates of the Socialist Labor Party to its deliberations. Bitter conflicts continued at succeeding conventions until 1895 when the Socialist Trade and Labor Alliance was organized. This was in effect a dual union in opposition to the A.F. of L.; but it never prospered. It never developed beyond the stages of a propaganda organization. Within the S.L.P. it engendered a conflict that split it in 1899 and resulted in the organization of the Socialist party in 1901. The S.L.P. (De Leon) carried on a vigorous campaign against the A.F. of L. while the Socialist Party (Hillquit, Berger, Debs) hoped to win over the federation by education and propaganda.

It was believed at first that the corruption of the (thendeclining) Knights of Labor was a main factor in the organization of the S. T. & L. A. The Socialist Labor Party's National Executive Committee's report at the 1896 convention, however, already had framed the "political-economic" dualism that ever after stamped the De Leonite S. L. P. Its declaration reads in part:

> "The pure and simple union is no longer an organization that even pretends to better the condition of its members by

fighting the boss, . . . it is content to fight the poor devil of a fellow worker who happens to be out of work. . .

"But the class antagonisms in modern capitalist society will sometimes bring about collisions between the opposing forces . . . when they do, the political supremacy of the capitalist class created and backed up by the votes of the workers soon asserts itself with disastrous effect . . .

"But there has appeared a silver lining in these black clouds; the Socialist Trade and Labor Alliance is born. To the superficial observer it may seem that this organization was formed only because of the reeking corruption among the general officers of the once powerful Order of the Knights of Labor.

"Yet this was only an incident, the lever, as it were, to relieve and set free the pent-up disgust of so many workers with the inactivity, the impotence of the fakir-ridden older organizations.

"It is to be hoped . . . our party will give notice to the labor fakir that he had better stand from under, thus making it clear to all that the Socialists and new trade unionists have joined hands and are coming . . . to put an end to . . . that artificial barrier between the economic and political phase of the American labor movement . . ."

The Socialist Trade and Labor Alliance was endorsed in the following resolution introduced by De Leon:

"WHEREAS, Both the A.F. of L. and the K. of L., or what is left of them, have fallen hopelessly into the hands of dishonest and ignorant leaders;

"WHEREAS, These bodies have taken shape as the buffers for capitalism, against whom every intelligent effort of the working class for emancipation has hitherto gone to pieces;

WHEREAS, The policy of propitiating the leaders of these organizations has been tried long enough by the progressive movement, and is, to a great extent, responsible for the power which these leaders have wielded in the protection of capitalism and the selling out of the workers;

WHEREAS, No organization of labor can accomplish anything for the workers that does not proceed from the principle that an irrepressible conflict rages between the capitalist and the working class, a conflict that can be settled only by the total overthrow of the former and the establishment of the Socialist Commonwealth; and

WHEREAS, This conflict is essentially a political one, needing the combined political and economic efforts of the working class; therefore be it

Resolved, That we hail with unqualified joy the formation of the Socialist Trade and Labor Alliance as a giant stride

towards throwing off the yoke of wage slavery and of the robber class of capitalists. We call upon the Socialists of the land to carry the revolutionary spirit of the S.T. & L.A. into all the organizations of the workers and thus consolidate and concentrate the proletariat of America in one irresistible class-conscious army, equipped both with the shield of the economic organization and the sword of the Socialist Labor Party ballot".

This action of the S.L.P. was the forerunner of the organization of the I.W.W. The resolution laid down that peculiar and distorted interpretation of political action that typifies the S.L.P. to this day. The overrated De Leon could never understand the class struggle as anything else than a ballot struggle reinforced by "economic action". The comic-tragic element of his interpretation appears when it is realized that his "economic action" was adopted by the syndicalist wing of the I.W.W. later as being all sufficient--a direct reaction to confusing parliamentary action as the sole form of political action.

But it was not yet the time for the organization of the I.W.W. De Leon and Gompers both were stationed in New York. The center of industrial activity was farther west. Both had their major followings among the "genteel" trades. The horny handed, sweating and crude industrial workers in mines, mills and other basic industries were outside the influence of either.

The railroad brotherhoods were outside the A.F. of L. and Socialism became known to them considerably later.

In 1877 Eugene Debs attended his first convention as delegate to the Brotherhood of Locomotive firemen. In 1880 he accepted the position of secretary-treasurer and editor-in-chief of the magazine at a time when the order was so weak that no more conventions were expected by most. By 1892 he faced the B. of L. F. now a strong, vigorous organization, with his resignation. Despite a loyal following and a splendid reputation as an organizer, he felt that organization was lacking in true solidarity and hampered by craft prejudices. He differed too much with the organization to remain any longer at its head.

Following his resignation, Debs organized the American Railway Union. It was to embrace all railway workers, - engineers, firemen, switchmen, brakemen, shopmen and track-walkers. Within one year the A.R.U. had 150,000 members. In April, 1894 trouble broke out on Jim Hill's Great Northern Railroad and the A.R.U. had its first test. By May 1st they had wrung practically all their demands from the road.

On May 11, 1894 the workers in the Pullman shops at Chicago came out on strike. They called upon the A.R.U. for support and got it in the form of a boycott on Pullman cars. Twenty railroads and 125,000 workers were affected. Chicago-ward traffic was paralyzed. Grover Cleveland sent federal troops to break the strike, the federal courts cited and sentenced Debs to jail for contempt of court, and the A.R.U. passed from view on the heels of this defeat.

Debs served six months in jail and upon his release tried to restore the wrecked A.R.U. He failed in this, but he was turning more and more toward Socialism. By 1897 a convention of the A.R.U. wound up

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its affairs and reorganized as the "Social Democracy".

Debs' entry into the Socialist movement is significant because he represented no white-collared intelligentsia, but came fresh from contact with the workers of a basic industry. He carried into that section of the Socialist movement which had broken away from De Leon and the S.T. & L.A. the idea of fighting the old craft unions.Hardly had the "safe and sane" socialists rid themselves of De Leon, than they were saddled with Debs. And the latter was much more formidable at that time than De Leon. He was illogical, sentimental and unscientific -- the direct opposite of De Leon. But he was fiery, aggressive, and had a tremendous reputation and following, The Socialist Party had to reckon with him.

It was a strange combination that later materialized in the I.W.W.- Debs, De Leon, Haywood, A.M.Simons, Mother Jones, Untermann, Hagerty, Sherman and Bohn. It probably never would have been organized but for Debs' venture with the A.R.U. and De Leon's efforts to fight the A.F. of L. with the S.T. & L.A. These two efforts represent the prelude to the I.W.W. The S.T. & L.A.represented the theoretical differences of the Socialist movement with the A.F. of L., the realization that the limitations of craft unions and the narrow viewpoint arising therefrom were inimical to Socialist interests. Debs' movement represented the revolt of workers in industry who saw themselves betrayed and forsaken by the labor aristocracy. Both elements fused for a time in the organization of the I.W.W.

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(In future issues, the I.W.W., the T. U.E.L., and the communist unions will be discussed.)

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*** THE AMERICANIZING OF MARXISM ***

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It appears that the late "American Workers Party"--now allied into the Trotsky-American "Workers Party"--had only one member who had advanced far enough Towards the Understanding of Karl Marx to regard himself, with some misgivings, as a Marxist. His misgivings proved to be justified, but we have to allow him credit for the good will.His party comrades are still at that stage of development where their chief concern is with "americanizing their Marxism" (if any) as quickly as possible--though to make the quotation strictly accurate, the word "americanizing" ought to begin, of course, with a capital A, which in turn should perhaps be surmounted (subjectively) by the Stars and Stripes.

Just what was to be understood by this americanizing of Marxism was left in some obscurity until quite recently, though one might have suspected, in view of the source, that it was designed to get Marxism out of their systems as thoroughly as the circumstances might permit. The paternity of the phrase may no doubt properly be ascribed to V.F. Calverton, of The Modern Monthly, and certainly he has been one of the most vociferous in promoting the idea. Only a few months ago, in an article on Father Coughlin (Modern Monthly, March 1935), Calverton indulges in one of his usual soporifics about the ineffectualness of "American Marxians (who) have never learned to Americanize their Marxism", as contrasted with the great popularity of the priest and the vote-garnering possibilities of Huey Long and other aspiring fascists. But all that we gather from this is that Marxism has something to do (or not to do) with an affection for cream-puffs, chocolate eclairs, or popcorn, or other distinctively american folk-ways which the Marxists are foolish enough to despise. In a later issue of the same journal ("In the Name of Marxism", Modern Monthly, April 1935) we do find, to be sure, that Calverton has gone deeply enough into the subject to cull a few passages from Marx which might be of value to his americani-

americanizing program, if quotations could serve as a substitute for understanding the marxian method. But all in all, it is quite obvious that insofar as Calverton is concerned with Marxism at all, he is interested primarily in making it popular and considers that any means to that end are good; though in the last analysis, his concern with Marxism is merely a means of competing with the C.P., which his party is quite incapable of opposing on other grounds.

Certainly, we have no objection to being "real guys" and "regular fellows", even if it were necessary to that end to "admit an affectio for cream-puffs, chocolate eclairs, or popcorn" or to "show some interest in baseball and football which are the great American pastimes etc. After all, while these things may "distract the minds of the working class from the class struggle", they are merely pastimes and are not of a nature to warp the minds of the working class and make it unfit for struggle. To be sure, we might question Calverton's psychology and insist that a superior attitude on the part of the Marxists, whatever the degree of dislike it might arouse on the part of the non-Marxists, may be a more effective means of promoting an interest in Marxism than all his concessions to the popular taste. But let us grant for the moment that he is right, that a Marxist should do on Main Street as Main Street does and should avoid any appearance of being 'different'--which, we take it, is what Calverton means.

What follows? Nothing less than "the whole works". To be sure, Calverton mentions only such innocent things as american confections and pastimes, but why stop there? Does Calverton himself really stop there, in his off-guard moments? We happen to know that he does not. Another great american pastime--if you care to call it that--is religion. It would be impossible to be a real hundred percent American without belonging to some church (especially Protestant) or at least believing in a "Supreme Being". And without such a profession of faith, Calverton knows as well as we that it would be impossible for a "Marxist" to make himself acceptable to the "nice people" with whom he is so much concerned. We shall perhaps be excused from arguing how fatal that belief in a Supreme Being is to a really revolutionary movement. But Calverton, like his model Lenin, is willing to take his temporary allies wherever they can be found (with the proper concessions), without regard for the ultimate consequences.

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If there should still be any doubt as to the real meaning of this cream-puff and popcorn philosophy, it is thoroughly set aside by another article in the very same number of The Modern Monthly (March 1935). This is written by one of Calverton's party comrades--or brothers, to be strictly American--Louis Budenz by name, and is entitled "For an American Revolutionary Approach". Budenz is the Workers Party hero of the "Battle of Toledo", where he at least play a corporal's part; he comes out here in the full regalia of a genera

This Budenz article is the perfect fruit and flower of the americanization program. This simon-pure (and simon-simple) American has no need of theory, economic or other. Marxism to him is mere "hocus-pocus", or "abstruse mysterious Mumbo-Jumbo". All that he needs to know about economics is that the "Profit System" is bad--or, as the shop-keeper would say, "business is rotten"--and that we must have the "Third American Revolution" (and, strangely enough, nowhere else than here in

the U.S.A.).

Of course, "the revolutionary tradition surges in American blood", as the great A.W.P. 'theoretic' once phrased it in the party program. Budenz has gone on to calculate the exact number of revolutions we have already had, which unfortunately amounts to no more than two.He neglects to state, however, that neither of these was a revolution at all in the real sense of the word, because neither of them involved any essential change in the economic structure or class relations. It ought to be known to every school-boy that the first so-called revolution was simply a war for national independence, of which Budenz could hardly be any more proud than is the D.A.R. And the other,--assuming that he means the so-called Civil War--was simply a war between two sectional groups of the bourgeoisie (if we may be excused this 'other-worldly' expression.) And furthermore, both were conducted in perfectly legal form, with a regularly constituted government on each side and with the workers used as cannon fodder for capitalistic ends. But more of this later on, when we shall draw some conclusions from this Americanism.

"Fascism has learned much--says Budenz--from the externals of the Soviet Revolution, and the time has come for revolutionists to learn something in turn from the externals of Fascism". Quite true. And, taking Budenz for the moment as a revolutionist, no one could presume to deny that fascism has taught him something; much in fact. He has evidently learned far more from fascism than he has from Marx and such "other-worldly theoretics". And for the very reason that he learned so little from these latter, he has learned from fascism the wrong thing. No, we shall not humor Budenz by calling him a fascist; that is not strictly true, though with such innocence he could very readily fall into (or for) fascism without knowing it. He is rather a sincere radical who has lost his head, or never had any to lose.He is actually so naive as to put the american farmers on a level with the industrial workers as a potentially revolutionary force--or, to use his own words, as "presenting the fundamental challenge to the Profit System"--and accordingly to believe that the revolutionary effort should "begin its major activities in the Middle West". So naive as to think that the "applause which greeted pictures of John Dillinger on the silver screen throughout the Middle West" is a crude expression of the revolutionary sentiments of these people, evidence of how intimate and natural they find the idea of revolution. Of course, any fairly bright schoolboy might let him into the secret that it expresses nothing more than the farmers' sympathy with anyone who gets all he can out of the present system, as they themselves are determined todo in their own way; that is, by maintaining themselves as small capitalists in defiance of the big capitalists--"Wall Street" and the banking interests.

But to return to what Budenz has learned from Fascism. In a sense, it is very 'external' indeed. In his own mind, he is merely engaged in turning fascist tactics to revolutionary purposes (while overlooking the close connection between tactics and principles--exactly the same sort of connection as exists in art between form and substance.) Budenz himself will doubtless admit that he is engaged in promoting the most rabid kind of nationalism--a chosen-people complex--just as the fascists are doing. But he would not admit, and is probably quite incapable of seeing, what the logical and inevitable result will be.

Like the average half-baked liberal who has read in the daily papers about the successes of fascism, he begins to wonder why the revolutionists could not do the thing in the same way, and concludes that they must have been very stupid not to see it.

But it is not merely that Budenz converts into revolutions (and this will always remain as his greatest revolutionary achievement) what were essentially nothing but national or sectional wars without revolutionary significance (except, of course, as a means of promoting the development of capitalism). He and his confreres have also combed the utterances of our national heroes, and a whole host of american bourgeois rebels long since dead and quite forgotten, for any utterances with a revolutionary tinge or which could possibly be made to serve as authority for the revolutionary idea.

And why should a revolutionist object to that, they may ask. The answer ought to be obvious, but for the enlightenment of our hundred per cent american radicals we shall try to be patient. It is briefly this that instead of combatting fascism--and that involves combatting the whole capitalist ideological complex--Calverton, Budenz et al. are actually capitulating to it and in the final result helping to promote it. The very nationalistic sentiments which they are presumably endeavoring to arouse in behalf of revolution will later be exploited by the bourgeoisie for counter-revolutionary ends. That, of course, is the history of fascism everywhere. After the masses have been debauched into a nationalistic frenzy coupled with more or less radical demands, the real fascists, with capitalist financial backing, take charge of the situation and divert the movement into its legitimate channel. It should require no great perspicacity to see how the whole pattern of the Budenz demagogy fits into the fascist scheme. Take the bourgeois wars which he tries to palm off as genuine revolutions; what could be easier to Hearst and his cohorts than to show the true character of these pretended revolutions and to demonstrate that they have nothing to do with revolution, much less with communism or anything of the sort, and that they ought rather to serve as lessons in true (capitalistic) patriotism--which means, among other things, suppressing any really revolutionary movement. Or take the revolutionary utterances of Jefferson, Lincoln, et al. What do they amount to? At most, a pious hope and a feeling of sympathy for the oppressed, not a scientific conviction of the historical necessity of communism. Or since Budenz is presumably not interested in communism, consider this: Not only are Jefferson and Lincoln not the true national heroes (Lincoln will never be very popular in the South, and Jefferson's popularity is incomparably less than that of Washington), but such men are also rather exceptional in american history. If one is going to glorify nationalism he must take the nation and the people as a whole. If one is going to use nationalism and worship of the bourgeois past as a justification of revolution, he has no right to object when the other bourgeois demagogues come along and quote, say, from George Washington or Alexander Hamilton to whom nothing was more abhorrent than revolution (in the real sense of the word) or the right of the masses to be the masters of their own fate,--though both these men, we might note in passing, were not only in favor of but actually fought in the war which Budenz proclaims as the first american revolution, while Jefferson gave it no more than lip service. Likewise with Budenz's glorification of the national character--such phrases as that about the movement he envisages being "in harmony with the American worship of achievement and success". It seems to us that those are precisely the sort of things

that capitalism has always prided itself on promoting--and will continue to do so. In short, all this patriotic flubdub simply confuses the issue and is as much an impediment to clear thinking as it is to effective action. Why not be honest and realistic; frankly admit that capitalism has had its virtues, but has necessarily created a set of conditions which make its continuance intolerable, and that whatever our ancestors may have thought (or failed to think) has nothing to do with the case.

III

What Calverton, Budenz and their confreres are trying to do is compete in demagogy with the bourgeoisie. Their mistake is essentially a form of pure economism--a belief that a revolutionist may be distinguished from a reactionary merely by a more or less vague belief in the desirability of getting rid--not of capitalism in all its various manifestations with all that that implies in the way of subjection and misery for the workers, but simply of the "Profit System": essentially merely another "share the wealth" affair. If they had any Marxism to americanize, they would realize that their americanization program is not merely superfluous, but downright pernicious and silly. It is based on a reformist, vote-getting and parliamentary conception which, with the setting in of the world crisis and the advent of fascism, is not only antiquated but suicidal. That is precisely the lesson they might have learned from Europe but which, in view of their american mania, they will probably have to learn at home.

However much mass support such a movement might receive, it could never eventuate in anything more than a reform of capitalism, and anyone who is not economically and politically a complete innocent knows that any reform of capitalism now, at its present stage of development, can lead only in the direction of fascism. What they are actually aiming at is, of course, a form of state capitalism, something in the nature of Technocracy, in which the workers would have the privilege of selling their labor power to the State instead of to the private capitalists. But even such a limited goal could not be achieved in the manner which they propose; to be even half-way successful for only a short time, it would involve expropriating the private capitalists, who of course would have the movement suppressed before it had any chance of attaining its goal. Calverton, Budenz and their party brethren will go on, no doubt, framing their constitutional amendments, infecting the workers with reformist illusions and in general acting as if the good american capitalists were going to let them be voted into office some day, whereupon the capitalists would be expropriated and the radicals would be -- in power. They have still not outlived the reformist movement of pre-war times; their revolutionary phrases are plainly nothing but phrases, and even those will soon be dropped.

They fail to realize that the weakness of the labor movement is not in its internationalism,--that is its main strength,--but precisely in its reformism and in its party and trade-union basis, those holdovers from the upgrade period of capitalism and the very sort of thin which these would-be clever politicians are doing their best to perpetuate. Not in its Marxism,--that is its solid and indispensable bas is,--but in the neglect to apply marxist principles to the ever devel oping situation. And in this connection the question of prime importance is not spatial but temporal, not so much a question of different

countries as of different times and circumstances throughout the wor
(What does it matter, by the way, if the american workers have masse
behind La Follette and Roosevelt rather than Norman Thomas? Does tha
necessarily indicate, as Calverton seems to think, that they are les
class-conscious than the german workers who were following Scheidema
and Ebert, and finally followed Hitler? What's in a party name!) Al
countries are sooner or later affected in much the same way by the ca
talist development, which will create the necessary objective conditi
for world revolution. Our task is to help in constructing a labor mo
ment which can function effectively in such a situation. All attempts
magnify national differences and to hedge one country off from anothe
can only promote the interests of the bourgeoisie and act contrary t
those of the proletariat. The russian experience has demonstrated---i
any demonstration were necessary--that "socialism in one country" is n
less a utopia than socialism in one state or one country. The proleta
iat must win internationally all along the line; and when it wins, i
will not be content to follow the counsels of Calverton, Budenz & Co.
but will take charge of the works in its own name, thus ceasing to be
a pawn in the hands either of a capitalist class or of a bolshevist
party.

* ——————————— *

MARXISM AND ANARCHISM

I

Federalism and Centralism.

The anarchist theorists contend that the future society must be built upon federalism which shall guarantee liberty and equality to all. In emphasizing this point they reproach the marxists, insisting that these are striving to replace the present capitalist system by another strictly centralized socialist government. We will attempt to contradict them by furnishing proof, firstly, that all those so-called "marxists" promulgating such theories are non-marxian; secondly, that the anarchist conception is purely utopian; and, thirdly, that the structure of the future society will be neither strictly federalistic nor strictly centralistic in structure, but that it shall contain elements of both.

Let us briefly analyze the general conception of federalism and centralism. The working class is confronted by a powerful centralized government whose functions are determined by an intricately built state mechanism based on economic division of classes. All efforts of the toiling masses threatening the existence of the ruling class are brutally suppressed. Strict and rigidly enforced centralism is the political form of all class societies. That it cannot be different does not require any further explanation here. Convinced that every form of centralism leads to oppression and despotism, the anarchists repudiate centralism altogether and support federalism instead.

By federalism the anarchists conceive a society based on collectivism, e.g. they visualize economic independence and personal liberty as existing only in the loose connection of autonomous communities. No government or council shall have the right to intervene in or question the management of any community or the methods of production and distribution. Every community shall have the right to decide on the length and intensity of the socially necessary labor time. This labor time varies according to the needs of the members in one community and is dependent, of course, on the development of technique and raw materials available. All commodities in demand as well as surplus commodities are to be exchanged among the different communities.

This plan - we restrict ourselves to the economic side only - is merely a revival of the historically outlived capitalist "laissez faire" principle. The collectivized anarchist communities will of necessity develop and increase competitive tendencies. Just as individual capitalists of today have to compete with each other, so will these communities be forced to follow the same trend. We shall corroborate our argument with a short example.

Instead of a single private capitalist, we have now to deal with the commune. Formerly the private capitalist took interest in his own welfare only, now the federation is interested in the welfare of the commune. If the capitalist wished to extend his markets, he had to produce commodities cheaper; the autonomous commune naturally interested in exchanging its surplus produce advantageously will have to make æn attractive offer. The same motives which guided private capitalism will thus prevail in these autonomous communes.

Suppose we take a hundred communes in a given district. As none of these hundred communes is capable of satisfying the needs of its members completely from its own resources, and as furthermore, the rate of productivity is influenced by the natural products in possession of the commune, quantitative and qualitative differences in output will necessarily arise. A commune in need of a certain commodity will have to utilize surplus products in exchange.

In order to show the competitive tendencies of the autonomous communes, let us divide our district into ten industrial groups.

1.	Ten	communes	chiefly	manufacturing	furniture
2.	"	"	"	"	shoes
3.	"	"	"	"	clothing
4.	"	"	"	"	iron
5.	"	"	"	"	machinery
6.	"	"	"	"	building material
7.	"	"	"	"	coal
8.	"	"	"	"	oil
9.	"	"	"	"	food
10.	"	"	"	"	luxuries

Every commune in each group employs 100 workers, but as the raw material and machinery at its disposal is not of equal quality, the labor time necessary to produce a certain article differs. We find, for instance, that to produce a pair of shoes different conditions give the following results:

a) three communes require 3 hours each per worker
b) " " " 2½ " " " " "
c) four " " 2 " " " " "

Assuming the working time to be 20 hours per week, the output of each group comprising 100 men would amount to:

a) 633-1/3 pairs
b) 800 "
c) 1000 "

If every commune consumes 500 pairs, then there remains in each group the following surplus:

a) 133-1/3 pairs
b) 300 "
c) 500 "

Suppose this surplus would be used to obtain a shoe manufacturing machine whose value amounts to 10,000 pair of shoes. This would imply that the workers in group a) will have to work 70 weeks and 3 days;in group b) 33 weeks and 2 days; and in group c) 20 weeks, in order to be able to obtain the machine. Group c), therefore, enjoys an advantage over groups a) and b). The communes of group c) could either reduce their weekly labor time, or - and that probably would be the case - they would try to obtain in exchange for their extra surplus other commodities. Such conditions must lead not only to material differences, but also to keener and ever increasing competition.Thus the anarchist communes return--although in a different form and without money--to the system of private capitalism and all its complications.

For this reason we marxists reject the anarchist conception and adopt the following theory instead:

Every factory unit (regardless of size and productivity) ascertains through its workers' councils the labor time necessary and the raw material used in the finished product. The result will be reported to the "industry council". After each factory has thus submitted the figures,the industry council will then compute the <u>average</u> working time for the respective product. For instance, (to use the figures suggested in the above mentioned shoe industry)three factories report that three hours are required to manufacture a pair of shoes, three need 2-1/2, and four need but 2 hours, then the <u>average</u> working time to produce one pair of shoes would be 2 hours and 43 minutes, which means that the <u>exchange value</u> would not be 2, 2-1/2 or 3 hours, but 2 hours and 43 minutes. In this manner the industry councils of <u>all</u> industries compute the average working time of a given product. All industry councils amalgamated form the "central economic council". The c.e.c. has <u>administrative functions only.</u> Bookkeepers, technicians and statisticians are its only personnel whose task it is to compile the reports of the various industry councils and to ascertain the exchange value for all commodities.

This brief outline illustrates the organization of the communist society which, as we have seen, puts the means of production into the hand of the workers, and who, through their councils, determine also the manner of distribution and consumption. This form of organization

is federalistic. The central economic council consisting of all industry councils, however, assumes a centralistic character.

Approaching the subject from this viewpoint, the "problem of federalism or centralism" ceases to be a problem. The revolutionary marxist recognizes not only the close connection between both concepts, but he also perceives in it the only guarantee for the smooth functioning of the classless society.

LL

Attitude Towards State.

The evolution of human society which is paralleled by the development of productive forces (agriculture, guilds, crafts, machine production, division of labor, etc.) was accompanied by a change in the relation of the worker to the means of production. He finally had nothing else to sell but his labor power and thereby became a mere wage slave. This process in turn brought with it an increasing growth of state power. This development was by no means peaceful and harmonious. It formed, rather, a series of sharp conflicts and an intensification of the class struggle. Marx described this process in the "Communist Manifesto" as follows:--The historical development of the state is the history of evolution in general which is the history of the class struggle.-- The anarchists repudiate this viewpoint. Their arguments are based not only on the writing of Proudhon and Kropotkin but also on those of the bourgeois ideologist Franz Oppenheimer. They hold that Oppenheimer, author of "System of Sociology" (second volune "The State"), has proven positively and scientifically beyond a doubt that the Marxian viewpoint of the development of the capitalist state is nothing but a fairy tale. It may be of interest to confront Oppenheimer's views with the Marxian interpretations. He introduces the state to the reader in the book cited as follows: "The state is a historical object in the universe and can be interpreted only by far reaching universal-historical aspects", and continuing, "What, then, is the state as a sociological concept? The state, completely in its genesis, essentially and almost completely during the first stage of its existence, is a social institution, forced by a victorious group of men on a defeated group, with the sole purpose of regulating the dominion of the victorious group over the vanquished, and securing itself against revolt from within and attack from abroad. Teleologically, this dominion had no other purpose than the economic exploitation of the vanquished by the victorious".

Later in the same chapter examples are given by Oppenheimer in support of his argument that the state has arisen through outside pressure, (i.e. foreign tribes) and not through social development in general, and he concludes: "....the state grew from the subjugation of one group of men by another. Its basic justification, its raison d'etre, was and is the economic exploitation of those subjugated."

Thus Oppenheimer cannot deny that control and exploitation (even if effected by outside forces), in other words, politico-economic factors, lead to the formation of the state. While the Marxists claim that the state grew through the class contradictions arising in every class society, Oppenheimer and the anarchists see the responsible factors for this growth in the arbitrary subjugation of a group of men by

another group, and ignore the fact that behind this "arbitrary" act there lie deep-rooted economic motives. In accepting Oppenheimer's viewpoint, the anarchists prove again that not only are their theories of economics another copy of the laissez-faire principle, but that also their ideology is related to the bourgeois concept of history. This results finally in the anarchists' illusions on the abolition of the state and capitalist society.

The abolition of the State is thus the chief demand of the anarchists The materialigation slogan, however, is dependent on the education an the free will of brcad masses. Only when they recognize the necessity of the abolition of the state is victory assured, and to reach that stage it is necessary to propagandize the masses and educate them in the teachings of the anarchists.

The anarchists are opposed to parliamentary action. As the most efficient weapon they recommend the general strike which should, if victorious, be followed by the reorganization of the society on a communistic-federalistic basis. The concept of transition periods in the Marxian sense is rejected; the Marxian slogan "dictatorship of the proletariat" is attacked. They point to Russia where, it is charged, a party clique rules over the people and creates a new state, as an example of oppressive Marxian rule. They see in the Marxian slogan mentioned above, as well as in the demand "all power to the councils", the seeds of new suppressive measures. The anarchists oppose the Marxists with the reproach that these do not want to abolish the state, but to conquer it. We shall concern ourselves with this charge shortly.

However, before going into the point at length, we have to pass a few critical remarks on the opportunistic deviations of so-called Marxist followers. Karl Kautsky, the best known exponent of reformism with a Marxist label as a matter of fact represents the conception that it is not the aim of the socialists to strive for the abolition of the capitalistic state, but to take it over. He seems to believe that the state apparatus may be compared with a well lubricated and efficient machine whose levers just have to be put in charge of socialists to bring about a socialist state. In his polemics against the Dutch Marxist Pannekoek, who attacked these theories, in the former organ of the German Socialist Party "Neue Zeit" (1912), as a dangerous opportunistic deviation of Marxism, he evaded the question by twisting his answer in the following way:

> "Does he (Pannekoek) intend to dissolve the functions of the state officials? But our own party and trade unions cannot get along without officials and employees, and much less the state administration. Our programme, therefore, demands not abolition of state officials, but the election of the officials through the people."

This quotation is characteristic of Kautsky's opportunism; first, he refuses to see differences in the administrative functions between state officials and labor leaders, and, second, he denies categorically the class character of the capitalist state. Theoretical juggling of this sort served to accelerate the reformist tendencies within the then still revolutionary Socialist Party, and finally the Marxian demand "abolish the capitalist state" was gradually replaced with the meaningless phrase of decaying social democracy "conquer the state".

Kautsky's viewpoint was most severely attacked by Lenin in his pamphlet "State and Revolution". Basing his response on statements from the writings of Marx and Engels, he successfully challenged the non-marxist character of Kautsky's deviations. Although succeeding in this direction, Lenin, on the other hand, also committed several serious errors, particularly in his interpretation concerning the role the party is to play before and after the revolution. Greatly influenced by the conditions in Czarist Russia, he could not perceive a proletariat capable of conducting and leading its own struggles. According to him, revolutionary ideas cannot develop within the working class itself; hence, they must be carried to the masses from the outside by bourgeois intellectuals and professional revolutionists.These latter, together with class conscious workers, will form the party that will lead the masses through the revolution and to the future society. Proceeding from this viewpoint, Lenin writes on the necessity for the dictatorship of the party whose functions during the first stage of communism would closely resemble those of the conquered capitalist state. The only difference, according to Lenin, would be that the new form of state could not maintain economic class divisions for the simple reason that with the victory of the revolutionary party all classes would be abolished. Gradually, Lenin believed, "as soon as all have learned to manage social production independently" then, "it will become a habit to observe the fundamental principles for an harmonious living, and the transition from the first phase of communism to the higher phase and consequently to the complete abolition of the state would only be a short step".

How profoundly Lenin erred is illustrated by the development of Russia herself. Although the bolshevikis have destroyed the old state, they have built up a new state whose executive power and methods of oppression surpass at times even those of outspoken fascist countries.

Both Lenin and Kautsky were too closely connected with the reformism of the pre-war period and, unable to understand their errors, they arrived at those false conclusions which the anarchists could rightfully term dangerous and destructive and which proved so fatal for the proletariat. In the present period of decaying capitalism their theories have lost all significance and with the decline of the reformist labor movement they will gradually lose influence over the proletariat.

For revolutionary Marxism the abolition of the state as also the question of the transitional period is just as little a problem as that of federalism and centralism.

Capitalism struggling hard to postpone its evident collapse is forced to pauperize not only the working class but also the middle class with ever increasing intensity because at this stage profits can only be realized by increased exploitation. But there is a limit to exploitation also, and when this point has been reached, i.e. when the pauperized masses have become a majority, then this condition must, of necessity, lead to revolution. The workers, fighting for their bare existence, will then be forced to reorganize production and distribution.

The destruction of the capitalist class and its state through the revolution is immediately to be followed by the building up of the classless communist society. The state will be abolished, the dic-

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tatorship of the proletariat, i.e. the armed workers in the factories --no special red army--will take charge to carry through production and distribution on the basis of communism.

-- W. R. B. --

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The Franco-Russian Pact.

The groupings of the different capitalist powers for the next world war has, for the present, put Russia in the position of being an ally of France, and the French bloc of nations. "France and the Soviet Union stand together. with guns at their feet," writes the official organ Izvestia, "stretching out their hands to welcome co-operation with other countries and to fight off the war menace."

Just as the Russians entered the League of Nations in the interest of peace, so now they exchange their generals and military experts in the furtherance of peace. The arms expenditures of Russia have tripled in the last two years and the Red army has been increased from 562,000 in 1932 to 940,000 in 1934. This pleases France who, like Russia, also signed this pact "for the sake of peace" in the words of Laval. But any agreement in the interest of peace by the capitalist nations is at the same time a preparation for war; and France, like all other countries, is arming and increasing its military forces as fast as it can. The French workers will be led by France and Russia to their next slaughter in the interest of this new Capitalist alliance.

The C.P. of France writes in their organ "Humanite": "...we are of the opinion that it is the duty of the French workers to force its government to sign this pact of mutual help between the two governments. Anyone who is opposed to this pact helps the war plans of fascist Germany. The Communist International endorses this pact "in line with the defense of the Soviet Union", while for Germany on the other hand the Leninist slogan "turn the imperialist war into the civil war" will be applied. This slogan does not fit in relation to France, however, as this would be treachery to Russia and the peace pact.

In Germany the C.P. distributes leaflets in the Berlin mail-boxes reading: "Enter the army; do not hesitate to become a soldier so that you may turn the weapons against the class enemy. Down with the fascist dictatorship! "

In France the socialist faker, Leon Blum, under the protection of this Russian-French pact says now, as the socialist said everywhere in 1914 "I am convinced that in replying to agression by Hitlerite Germany, all the workers of this country will rise to a man, together with all other Frenchmen". Before the slaughter starts, however, business is always welcome; and business for Russia is, like everything else, in the interest of peace. The financial credit given Russia by Germany in April of this year is according to "Pravda", "in absolute collaboration with the policy of defending the peace of the world". Pravda states further "that Russia is willing to enter in trade agreement with any country regardless of its political system and philosophy".

The financial credits from Germany, and the war pact with France, have both the same basis: the interweaving of the Russian state capitalism with other capitalist interests. A different world situation might have seen financial credits from France and a military pact with Germany, and possibly new shiftings in world policy, determined by economic necessity, does not exclude such a changed situation.

"There is no difference", said Bucharin with the consent of the fourth congress of the C.I., "of principle between a loan and a military alliance. We are already big enough to conclude a military alliance with a bourgeois state in order to crush another bourgeoisie. This form of defense of the fatherland, a military alliance with a bourgeois state, makes it the duty of the comrades of a country to help the bloc to victory". Russia and the Communist International have always lived up to the principle expressed by Bucharin but no bourgeoisie has ever been crushed by the aid of another bourgeoisie. What has been crushed, however, has been the revolutionary movements in many countries. The labor movement flocking around the C.I. has been converted to a football for capitalist policies in the furtherance of this principle. The arms furnished to Turkey by Russia were used to crush the turkish labor movement; and with the support of Russia, the nationalist movement of China slaughtered the chinese masses who wished to go beyond "capitalist liberation" from other capitalists.

It is both difficult and confusing for the professional revolutionists to keep pace with the counter-revolutionary development of Russia. They become very agitated about the "status quo" policy of Stalin, forgetting that this is but an extension of the status quo policy of Trotsky and Lenin. In 1923, Trotsky declared to the correspondent of the Manchester Guardian, with the approval of Lenin and the C.I., "we are, of course, interested in the victory of the working classes, but it is not at all to our interest to have the revolution break out in a Europe which is bled and exhausted, and to have the proletariat receive from the hands of the bourgeoisie nothing but ruins. We are interested in the maintainance of peace".

There is no status quo in reality; it is but an empty phrase to conceal certain measurements and alignments for the coming war in which Russia, as a participant, must be regarded as an imperialistic power together with other imperialistic powers. There can be no policy based on something which does not exist; the so-called 'status quo'policy' is but an indication of the relative unpreparedness of some nations in comparison to the preparedness of others for the coming new world war The talk of peace and status quo is but a policy of hesitation coupled with a hastening of preparation for the violent changing of the world situation.

Russia will enter the next world war as it now prepares for it, as an imperialistic force lined up with other imperialistic forces and it is not possible for the working-class to have any other position towards Russia than towards any other country. The answer of the revolutionary movement to war is revolution; so, too, must be the answer of the Russian workers to a war in which Russia participates, - a revolution to overthrow the state capitalism now existing. The working-class cannot defend the 'workers' fatherland' since the workers never had a fatherland and never will have one. The revolution of the workers must be international. They must work for the overthrow of state capitalism as they do for the overthrow of capitalistic exploitation in the rest of the world. The answer to a world war must be world revolution.

INFLATION.

Workers in the United States have displayed a regrettable lack of solidarity hitherto. Section after section fought alone against capitalist attacks only to be crushed while the rest of the working class watched apathetically.

Thus the struggle of the unemployed calls forth but a careless shrug of the shoulders by the employed, while the strike battles of the employed, with a few minor exceptions, so far have failed to arouse any nationwide movement of employed and unemployed in the common cause. But events are moving toward a welding together of the working class in spite of apathy, selfish particularism, and reactionary craft unionism. The unemployed have been the main sufferers so far; now the standards of the employed are being attacked and irresistibly all sections of the workers are being driven to the same level of misery that will wipe out distinctions between the labor aristocracy and the mass of unskilled and unemployed. One of the levelling instruments invoked by the masters is called "inflation". Confusing as it appears, it is nevertheless capable of being understood by the worker who desires an understanding of the problems that beset him.

WHAT IS MONEY?

Money is the exchange medium. It figures in all sales and purchases. It assumes a multiplicity of forms that is largely responsible for the confusion prevailing. Paper money; silver, nickel and copper coins; checks; bills of acceptance; banknotes; federal reserve notes; silver and gold certificates, all these contribute to make the subject the happy hunting grounds of cranks, half-baked theoreticians, reformers, and what not. However, all these forms are nothing but representatives; tokens, promises to pay in what is <u>real money</u> - gold. Gold is the base and substance of money.

The development of trade and industry required a medium of exchange universally acceptable, that facilitated reckoning, that was easily handled and stored, and did not fluctuate greatly in value. Because gold met these requirements, it became the basic currency. Long after it had established itself in trade was it officially recognized by law. The interests of trade required the establishment of government mints and laws to prevent debasing of currency by trimming or cutting.

Thus modern money is based on gold. But gold is not commonly circulated. Many workers have never had or seen gold coin. Their money is in tokens, paper, checks, etc. Gold transactions are usually between international banks, and in domestic trade, between national banks.

These tokens represent gold. To take a simplifying example: if a country has a gold stock of one million dollars and issues against that one million paper dollars, the paper will pay one million gold dollars worth of commodities. But if two million dollars of paper are issued against one million gold, the paper will buy only one million gold dollars worth of commodities as it has only that amount of backing. The individual paper dollar will have a purchasing strength of only 50%. Increase the paper issue to four million and the paper will purchase only 25%.

Economic forces are so manifold and interlocked that they never respond instantly to interference and regulation. It is not necessary and not the case that the paper money of a country is equal, dollar for dollar, to the gold in store. Despite this, the purchasing power of the paper may remain on a par with the gold. As long as paper is exchangeable for the equivalent gold quantity its purchasing power remains high, even though the gold backing may be low.But the moment distrust and fear cause a large demand for gold exchange which cannot be met, the paper declines until it reaches the level of the gold stock.

It must always be remembered that in economics so many forces are operating in constant interaction that the fundamental tendencies are always partially neutralized and modified. Thus in analyzing money we must remember that the relation between paper and gold is the norm around which large fluctuations occur, but the norm limits and determines the magnitude of the fluctuations. Paper may be three or four times the normal amount of gold in reserve, yet have a long time higher purchasing power than seems warranted. But the tendency asserts itself eventually and the paper will finally find its true level

As long as the currency was left undisturbed, price fluctuations upward were frequent and annoying enough to the workers, but they were of a minor nature. Now the federal government has decided to suspend gold payments. It is issuing paper in large quantities and large scale inflation is imminent. The extent of the inflation and the reasons for it should be understood by all class conscious workers.

How Inflation Is Being Forced.

The first step taken toward inflation was that of going off the gold standard. This was merely the preliminary step toward debasement of the currency. In effect, it meant no more than that the United States cancelled all its obligations and those of its citizens payable in a given quantity of gold, and forced creditors and sellers to accept paper of equivalent dollar denominations regardless of the actual value of this paper in relation to gold.

Fundamentally gold was, and still is, the base of all U. S. money, for, by buying and selling gold in Europe with American dollars, with the so-called stabilization fund, the relation of the dollar to gold is established and verified in repeated transactions.

The second step in inflation was the actual debasing of the dollar. The ratio of $20.67 per ounce of gold was changed to $35.00 per ounce Each dollar now is worth about 59% of its former value. While not immediately noticeable, the effect is now being felt in increasing commodity prices. When prices have adjusted themselves to this phase of inflation, the dollar will buy only 59% of its former value.

Further monetary debasement is in sight as a result of the silver policy. The government is pledged to buy silver until it constitutes one-fourth of the monetary reserve or fetches a price of $1.29 per ounce. Since the value of silver, like that of all commodities, is in the last instance determined by the amount of socially necessary labor required to produce it and by that standard is worth between 35¢ and 40¢ per ounce, this policy in effect throws silver into the monetary reserves at the expense of the gold reserve.The difference

between the value of silver and the price increased by this policy eventually has to come out of gold. However, the minting of silver is a minor phase of inflation, for paper could be printed as readily. The silver policy is a sop thrown to politicians of the silver mining states.

But the matter does not stop there. Under the powers given the president under the agricultural act of 1933, the floodgates of further inflation have been opened wide. Greenback issue may be increased from 343 millions to three billion dollars. Reserve requirements of the banks have been radically reduced. Federal reserve banknotes can be issued up to 100% of government obligations held as collateral, and up to 90% of other collateral. The more the government borrows the more money can be issued.

The credit inflation, still in the preparatory stages, operates with terrific force once it starts. The banks' reserves have increased as a result of the government's policies, having risen from 3 billion dollars in 1933 to 19 billion at the present. The amount is increasing at a rate of about 3 billion annually. Considering the credit pyramid that is built up on the basic reserve, through lending and relending, and the enforced circulation of loans through the government's recovery agencies, a further inflationary force has been created.

Credit replaces and augments currency. It functions in lieu of currency. Every loan eventually must be repaid, even as international balances must be met in gold. Credit expansion operates like currency expansion. Credit is a lieu of values to be created, that eventually must be met by real values rather than promises. Until the time of reckoning credit expansion results in rising prices - inflation. The 59 cent dollar will shrink still farther as these inflationary forces begin to operate.

Why all this inflation? The depression enforces the intensification and greater exploitation of labor. Inflation is supposed to be a means in helping to overcome the crisis. It will reduce wages at one fell swoop without the immediate dire effect of a strike in every plant affected. It will stimulate foreign trade, temporarily at least;it wipe out a large portion of the terrific debt load. The governmental expenditures, though nominally higher, are really reduced to a minimum and capitalist production is thus expected to start anew.

That inflation is invoked is proof of the desperation of the capitalist class, for it involves great discomfort and uncertainty for large sections of the master class. On the other hand, the reduced living standards of the working class and their precipitation into misery with the advance of inflation will have in the end its political repercussions in strikes and riots.

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MARXISM AS A RELIGION

Critical remarks on "Marxism", a symposium by John Macmurray, John Middleton Murry, N.A.Holdaway and G.D.H.Cole. John Wiley & Sons, Inc., New York, 1935.---English Edition: Chapman & Hall, Ltd. London.

All contributors to this book are agreed in emphasizing that Marxism is a "revolutionary theory", a "revolutionary gospel". But they don't mean by that the real Marxism, nor do they mean a real change of the capitalist social order through the action of the proletarian class. Their "Marxism" is a religion, a vision, a revolutionary ideology, by means of which the sober and (as Cole says, p.237) 'dull' socialist labor movement is to be made more attractive and tasteful to the english workers, and especially to the petty-bourgeois. And it is assumed that those workers will still for a long while not be ready for and capable of revolutionary action.

- I -

This tendency of the book comes to light just as clearly in the philosophical contributions of J.M.Murry and J. Macmurray, and in the economic analysis of capitalism by N.A.Holdaway as in the position of G.D.H.Cole and again J.M.Murry to the practical political questions of the present-day english and international labor movement. The 'theoretical' transformation of the marxist doctrine from a theory of the revolutionary proletarian class-struggle into a mere "revolutionary ideology" serves the practical purpose of using Marxism for throwing a halo over a political effort whose direction is by no means revolutionary. In spite of all the mystical phraseology about the essential "identity of theory and practice" in the revolutionary "philosophy" of Marxism, the question for J.M.Murry and J.Macmurray is not one of better adapting the marxist doctrine to the needs of the workers' practical class struggle. Their real concern lies in dissociating the marxist "philosophy" from its definite relation to the proletarian class-struggle and "supplementing" it with all sorts of other element mostly borrowed from the christian religion. And what do we have as the goal of this "Marxism" which has been transformed into a religious philosophy? Instead of a real change of the social surroundings, its task consists in taking a state of society which in fact already exists and bringing it into the consciousness of the people living in this society. The actual overthrow of the existing social order is to be replaced by a religious, philosophic and moral renovation of the inner human consciousness.

- II -

In dealing with such "marxist" politicians as G.D.H.Cole and J.M.Murry there is no need of a critical analysis to prove that for them the "revolutionary marxist" ideology means only an instrument of vote-catching for the Labor Party. To Murry there is no doubt that the practical labor movement in England will still remain limited for at least thirty to forty years (206) to a struggle for democratic aims together with idealistic propaganda of ideals of freedom and religious-moral self-education of the individuals concerned. Cole, too, comes out flatly

with the statement that a revolution on the part of the english workers is out of the range of vision, that the economic development of recent times has not strengthened but weakened the working class, which must, therefore, (because of its weakness!) be built up in future more on a political and less on a trade-union, industrial basis (236-7). The middle class, on the other hand, appears, according to Cole, in its natural development, predestined for fascism (221-22, 225), while according to Murry, it is not "as yet" in England definitely anti-democratic and may still find satisfaction for its planned-economy tendency in a parliamentary-democratic state capitalism built up by the Labor Party after the model of the Morrison Passenger Transport Board, or after the models furnished by the present "National Government" of Mr. MacDonald (190-192). The real sense of taking up with the Marxist theory consists for both in diverting this "new class" of the petite bourgeoisie discovered by Cole (how many times in the last four decades?) from its fascist tendency and making it more receptive to socialism. J.M.Murry goes so far as to represent the socialist movement of the future as an "essentially classless political organization", whose "total Marxism" will be a "faith" and a "vision", "as new and inspiring for the bourgeois as for the working man" (19-21). In reality, however, this fellow, who is never tired of describing himself as an "idealistic" and "impatient socialist" (203-3) and conceives the main virtue of Marxism to be that the "true Marxist" by means of Marxism kills off his egoistical "self" (207), accomplishes on this very occasion, through the denial of a few incautious phrases from his earlier writings, through a pious obeisance to the coming strong man of the Labor Party (Herbert Morrison) and through a strict renumciation of all "sectarianism" (192, 207), his adhesion to that ultra-reformist present leadership of the Trade Unions and Labor Party which he has just denoted as the "last bulwark of the bourgeoisie" against the true and christian "revolutionary Marxism" preached by him (20).

The special need which drives this kind of labor politicians to bring about their transformation of the present english working-class socialism, in England of the year 1935, in the form of a turn to "Marxism" and, if such were possible, to "revolutionary Marxism", is not further defined by Murry. On this point we have a more open and clear expression on the part of Cole. He is in a better position to afford openness here because, in spite of his skeptical attitude regarding any possible revolutionary intensification of the present working-class struggle, he is after all still striving for a certain degree of real change, in the form of sharpening and activizing of the present course of the official Labor Party and under certain circumstances does not regard it as wholly precluded. The Labor Party can and shall, in his opinion, win the power, though of course along parliamentary paths, and will then make use of this power for the purpose, among others, of building up certain extra-parliamentary agencies "for the administration of the country on a socialist basis", and it shall furthermore have the "full consciousness" (!) that its mission (!) does not consist merely in passing new laws but in "altering the entire social structure of the country" with a view to a "classless and equalitarian Society" (235-36). Supported on this concession to his revolutionary socialist conscience, he now declares quite plainly the real reasons for the usefulness of Marxism to the present-day english Labor Party. As soon as the Labor Party passes beyond the social reforms which are quite without danger to capital and turns--not to a "serious attempt to establish a socialist system", but even to "demands for social reforms that the capitalists cannot easily concede", it "can no longer afford

to be or to look moderate" (226). In order to avoid this "moderate appearance" and thus not to lose all credit, especially with the middle class, which is already going in for fascism after a manner,--to this end the Labor Party needs in its present fateful hour this "gospel for revolutionary enthusiasts who want to change the world"(238). And for the attainment of this noble purpose, Mr.Cole has no fear of bringing in still another revolutionist of note, the same one from whom, in his own revolutionary-syndicalist youthful period, he derived his romantic ardor. He quotes a splendid passage from the old american syndicalist of the I.W.W., Big Bill Haywood, in praise of revolutionary, sharp and persistent "thinking" (239). But he substitutes for the syndicalist, activist and terroristic thinking meant by Haywood his own "constructive and reasonable" thinking, which at the same time shall not, at any price, be or at least look like a "moderate" thinking (226).

- III -

While J.M.Murry and J.Macmurray have furnished for the practical political tendency of the book what may be called the philosophical theory, the fourth contributor, N.A.Holdaway, contributes the economic theory, (123-178). It is only from the peculiar, self-selected task of this faculty of skeptically sober petty-bourgeois intellectuals, namely, that of imparting to the working class by means of the revolutionary marxist ideology the lacking ardor, that it is possible to understand the otherwise quite incomprehensible manner in which the economic theory of Marx is here unceremoniously treated. No reasonable, no modern Marxist would object if Mr.Holdaway had subjected the economic doctrines of Marx to "continual criticism in the light of developing processes in the material world" (178). One might also accept it gracefully if (as his friend Cole has occasionally expressed it) he had perceived in such a continual critical alteration of Marxism even the genuine task of the "non-orthodox Marxist", that is, had limited his activity as a Marxist to breaking down Marxism in a marxist manner. But even from such a standpoint, a marxist "Analysis of Capitalism" and of its present final phase would have to convey to the reader a few marxist terms, concepts and statements in appropriate manner. When one criticises or makes a critical contribution to a theory in any other field of knowledge, it is after all usual to present a pertinent exposition of at least the basic doctrines of this criticised theory and not, in the name of this theory, in the place of its real content and the further development of this content, merely to bring onto the market one's own improvised thoughts and formulations. In this book we are presented with something as marxist doctrine which philosophically , historically and in particular economically is connected with Marx's thoughts only in loose manner or not at all. No reader, however much illuminated by the new "marxist philosophy" of Messrs. Murry, Macmurray & Co., could obtain from this 'critical' exposition a half-way clear idea of the marxian economics. And one must already be rather thoroughly versed in the marxist theory in order to recognize even a few fragments of the marxist doctrine behind the numerous misinterpretations, the false sequences, the disturbing additions and the witticisms which frequently go off into stupidity.

To show the confusion wrought by the critical Marxist Holdaway in the economic theory of Marx, and what comes of it, we take a few examples:

As early as page 129 we learn that in feudal society even the exploiting classes (the feudal lords, spiritual and temporal, and their retainers, who by reason of their larger shares of the social product "exploited" the serfs) and likewise also in the early capitalist society the industrial "exploiters", produced "values" in the marxian sense.

On page 132 , the author fulfills the utopian dream of old Aristotle. He discovers in present-day capitalist reality, more accurately in the "boot and shoe industry", the existence of machines that "work up raw material into a finished product without any human intervention at all". What wonder if the traditional marxist doctrine of value is shaken in its foundations and stands in need of the guiding and helping hand of Mr. Holdaway. "Every previous economic system," he explains, "created consumers who were not creators; the capitalist system by its inherent necessity (which is the mother of inventions) creates creators who are not consumers, viz. machines" (134).

In the next place, the author discovers (apparently on the basis of a previous discovery of Cole's) that "the Marxian Theory of Value is not an economic theory in the limited sense at all" (133). As a matter of fact, Marx has given in Das Kapital a profound and thorough economic analysis of the value relations of commodities in capitalist production. He has, besides (in the section on the "Fetishist Character of Commodities and its Mystery"O also historically and sociologically comprehended those relations as a material concealment of the social relations arising and developing between human beings in the process of production. Of this total achievement of the critical economist Marx, Holdaway completely omits (in accordance with the "philosophical" and "religious" tendency of his contribution, as of the whole book, directed to the arousing of enthusiasm!) the first half, the genuine economic analysis, and holds only to the critical points, denoted by him as "philosophic". The economic category of "value" thus becomes transformed into a metaphysical thing, of which one merely learns that it is somehow a "measure of exploitation" (132) In this application, the sense of the expression is quite unintelligible . It first becomes clear when one recalls that in Marx it is not "value" which serves as the "measure of exploitation", but the rate of surplus value.

Holdaway's next revelation consists in the discovery of a radical difference in the marxist theory between "value" and "price" (138). According to Marx, of course, the "price" of commodities is nothing other than their "value" expressed in money (exchange value).For various reasons, of which the most important does not appear until the third volume, it happens that between the magnitude of price and of value of the different commodities and commodity groups there is no direct agreement, nor can there be any in developed capitalist production. Many critics of Marx have therefore thought that Marx was not wholly successful in Das Kapital in the economic derivation of prices from value. Our author falls upon a brilliant, truly absurd, idea. Price, according to him, is something absolutely different from value and in its "modern form" its direct opposite (138-141). It is "essentially an individual relation" (140); more accurately, a form of competition between different individuals and human groups, a measure of the "individual and group antagonisms within the capitalist class" (140). While in "value" we have the "unity" (sic!) between the exploiting and the exploited class, so in "price" we have

"quite a different unity", namely, the "unity of buyer and seller" on the commodity market (138). The struggle about prices expresses always (even as a struggle between capitalists and small producers in the early capitalist period!) a mere individual antagonism and conflict and never a "mass-struggle" (139). It has nothing to do with the "relations between the capitalist class and the proletariat" (140). If, under the conditions of pre-capitalist production, value and price still tended to be more or less equivalent (140), in the capitalist epoch price tends more and more to be "absolutely divorced from Marxian value" (141). The transition from the pre-capitalist mode of production to capitalist commodity production and the further development of this mode of production is not, as in Marx, brought about through the medium of value, but through the variation of price from value (138-40).

This divorce of the price theory from the marxian "value" is made with a view to representing the economic development of capitalism undisturbed by <u>value and surplus value</u> and the related <u>struggle of the classes in material production itself</u>, that is, as an intracapitalist affair, or as a struggle between the different competing capitalists and groups of capitalists over <u>prices</u>, a struggle taking place no longer within the sphere of <u>production</u>, but only in the sphere of <u>exchange</u>, on the commodity market. It is only occasionally, at certain critical points of time, namely, in the partial "revolutions" of the economic crises and finally "when all is fulfilled", in the "revolutionary overturn which brings the capitalist epoch to its end" (142)--it is only then, from extra-economic, economically incomprehensible depths of an inner "organic growth" (135) that value breaks ecstatically into this intra-capitalist, economic development: "the forcible overthrow of price by value".

Holdaway does not, however, accomplish his purpose. Through the radical divorce of price from value he has obscured the clear meaning of "value", as given by Marx, for the operation and development of the capitalist mode of production. He has not succeeded, however, in finding for "price", thus elevated to an independent economic category, economic determinations of its own. He has declared "value" to be an "extra-economic" category and robbed it of the economic qualities developed by Marx, transferring these qualities in mutilated form onto his "price". Through this "critical" further development of the marxian "critique of political economy" he has destroyed not only the economic content of the marxian doctrine, but even its critical-revolutionary significance. In order to make this clear, we set the marxian original and Holdaway's copy facing each other. The confrontation shows that the marxian formula is the unveiling of a real mystery, discovery of a new economic insight and clarification of a practically momentous matter for the class struggle of the proletariat. Through Holdaway's formula, on the contrary, a matter which is perfectly clear becomes mystified, with the result that we have neither the winning of a new theoretical insight, nor the expression of a practical class truth.

MARX treats as basic the relations springing directly from the material process of production in its capitalistic form (capitalist commodity production). These relations appear economically in the "value" of commodities.

HOLDAWAY treats as basic the relations arising on the market from the exchange (purchase and sale) of commodities. These relations appear economically in the "price" of commodities.

MARX - By the side of these basic relations (the "relations of production") there are derivative relations which first come up in the sphere of exchange. These relations include the one between the owners of commodities who confront each other as sellers and buyers and who "by means of an act of will common to both, appropriate the other's commodity in that they alienate their own". This relation (the "contract") is no longer an economic relation but a "legal or voluntary relation whose character is determined through the economic (value) relation itself".

HOLDAWAY - The economic (price) relation is derived from the legal or voluntary relation(the "contract").

MARX - In "value" appears a relation of persons which is peculiar to the capitalist process of production, namely, the reduction of private labors which are interdependent but carried on independently of each other to their socially proportional measure of labor time (the regulation of the social division of labor) as a relation between the value of one commodity and the value of other commodities.

HOLDAWAY - In "price appears a relation of persons which belongs to the process of exchange, namely the "unity of buyers and sellers" which is brought about in the sale of the commodity on the market, as a relation between "a commodity and its money form".

MARX - The value relation of commodities is a "crazy" expression for the real relation which it signifies, an expression which has need of a scientific correction. It is at the same time a "socially valid, hence objective conception" for the productive relations of a certain social mode of production (commodity production). The (social)validit of this conception is limited to an historical epoch (the epoch of bourgeois society).

HOLDAWAY - The price relation of commodities is the "inverted form" in which a relation appears to "us" which is something different in objective reality. This inversion occurs in connection with every purchase and sale of commodities, and has no connection with a determinate form of production or with a determinate historical epoch.

MARX - To that extent the value relation of commodities is not a mere appearance which would be dissipated by the discovery of the actual state of affairs concealed beneath it, but would still remain valid for those who are entangled in the relations of commodity production. It first disappears contemporaneously with the abolition of capitalist commodity production through the proletarian revolution and the further development to the classless communist society.

HOLDAWAY - To that extent the price relation of commodities appears as a mere subjective deception; through the discovery of the objective state of affairs lying at bottom, it can be done away with also by purely theoretical means.

MARX - The value relation of commodities (the commodity form of products in the capitalist mode of production) contains a real mystery.

"The mysteriousness of the commodity form consists in the fact that it reflects to people the social characters of their own labor as concrete characters of the labor products themselves, as social, natural qualities of these things, hence also the social relation of the producers to the total labor as a social relation of objects which exists outside of them."

HOLDAWAY - That "the commodities do not themselves go to market and cannot exchange themselves", hence must be exchanged on the market by actual human beings, is an obvious circumstance known to everyone.

MARX - The unveiling of this mystery (the doing away with "commodity fetishism") is a scientific discovery. The reality concealed behind "value" is thus made visible and palpable. By means of a statement regarding a relation existing between real things (the relation of the value of different commodities) a certain matter of fact (the labor time expended on different products of human labor) is properly made clear.

HOLDAWAY - No new theoretical insight is won by stating once more this fact which is well known anyhow. By the assertion that in the "price" of commodities the "unity of buyer and seller" is manifested also in "inverted form", a connection which is clear in itself is only obscured artificially. One fails to see what rational meaning can be bound up with the definition of price as a relation between "a commodity and its monetary form" (i.e. between a thing and its form). It is equally incomprehensible how the "unity of buyer and seller" established on the market must come to expression precisely by means of a statement regarding the price of a commodity.

MARX - This discovery has practical importance for the class struggle; the wage workers, hitherto rating as mere sellers of a special commodity (their labor power) by the side of other sellers of commodities, recognize themselves as the class of the real producers, (suppressed and exploited by the non-producers) of all the social products exchanged on the capitalist market. Through their conscious action as a class they break down the barriers set to the capitalist mode of production by the condition of commodity production and they set in the place of the (unconscious) regulation of the social process through the law of value the conscious and planned direct control of production thru the freely associated human beings.

HOLDAWAY - Nor is any practical class truth thereby proclaimed. The relation established between the buyers and sellers of the commodity labor-power on the capitalist "labor market" remains, like all other relations of the sellers and buyers of commodities, as "essentially individual" relation of the human beings or "human groups" competing for the sale of their commodities. It has no class character.

MARX - The rational character of the value formula continues to exist in the further development of the value formula to the price formula; that is, in the expression of the value of all commodities in a special commodity, money. Money is a commodity. It makes its appearance as such even in pre-capitalist epochs. It develops for the first time, however, into the general commodity (within the circulation of each country and on the world market) in the period of capitalist commodity production. The abolition of the commodity character of money takes place simultaneously with the abolition of

capitalist commodity production and of money through the proletarian revolution and the further development to the classless communist society.

HOLDAWAY - The irrational character of the definition of price as a relation between "a commodity and its money form" becomes especially glaring through the denial of the commodity nature of money. Money was originally a commodity. It developed as such even in pre-capitalist epochs into the general commodity. It loses in the capitalist epoch (in a "dialectical negation" of that previous development) the character of a commodity and attains its capitalist final form as inconvertible paper money. The "break-through of the productive forces" through the barriers set for them in capitalist commodity production by the (among other things) commodity nature of money takes place without proletarian revolution, through an increase of money by way of inflation (164).

Like the development of the commodity and of money, so also the general development of capitalism closes, in Holdaway's exposition, not with the abolition of the capitalist mode of production through the proletarian revolution, but with the transition to state capitalism, to capitalist "planned economy" and to fascist enslavement of the workers. He declares that "the final phase of the centralization of capital shows the appearance of new qualities" (171), and then treats of state capitalism, "planned" national economy, war and nationalism. He thinks that the workers will cease to sell their labor-power to the capitalists and will sink into a new form of slavery, "not in the wage-slavery which has always been their lot, but in a bondage which assumes their disposability, not by individual owners, but by the state" (172). Thus this 'marxist' analysis, which set out to portray the "end of capitalism", ends with the prospect for the new beginning of a more virulent capitalism. In this way this 'economic' contribution, as well, fits harmoniously into the general tendency of the book. Its authors, who were selected for the purpose of imparting to the socialist movement, hard pressed by fascism, a higher ardor through the confession of faith in a so-called "revolutionary Marxism", end with this: that today still theoretically and unconsciously, tomorrow perhaps consciously and practically, they capitulate before the might of fascism or yield to what has already in secret long been felt as its irresistible seduction.

- KARL KORSCH -

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THE INEVITABILITY OF COMMUNISM
by Paul Mattick

"It was not the demagogue Hitler who destroyed the German Communist Party and the Social Democracy, but the masses themselves, in part actively and in part through inactivity. For these parties had got into an untenable position; they did not represent the interest of the workers, and they did not conform with the interests of the bourgeoisie." (page 46).

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United Workers' Party,
1604 N. California Ave.,
Chicago, Ill.

Guy Aldred's "Mission" (*)

By Aldred's own assertion, this pamphlet owes its origin mainly to a personal correspondence. It is intended to be the answer to many questions addressed to him regarding the anti-parliamentary movement. The high-flown title of the work is not justified by the contents;what we have here is much rather the self-caricature of a man who is filled with a "mission". The task which Aldred set for himself--that of revealing in the anti-parliamentary movement the kernel of the new labor movement--remains unfulfilled. Nor, as a matter of fact, is he sufficiently interested in the matter; his principle object is rather merely to make his personal light shine as far as possible. And since his knowledge is very limited, the work turns out to be a tiresome affair which belongs in the realm of political curiosities.

We regret that our previous attitude toward Aldred's doings must remain unaltered. He complains in his pamphlet about the slight enthusiasm displayed by the U.W.P. for his linking-up plans and his philosophy, but it is impossible for the U.W.P. to come to an understanding with people who go about hawking their "missions" in the same way that others do cheese or shoe-strings. What do we care about Aldred, Vera Buch, Weisbord or Mattick! We want to promote the consciousness of the class and not glorify individuals. This tiresome emphasis on persons, and of his own person particularly, stands in flat contradiction to his alleged design of serving the class. In order to do this latter, he ought first of all to forget his own name, and then his messiah-complex which makes this pamphlet, so far as it relates to Aldred, a joke which is not even laughable.

The pamphlet is written mainly with a view to pleasing the Little Napoleon of Second Avenue, New York. It accordingly repeats all the nonsense that Trotsky has given out about himself since he lost his uniform, and tries desperately to make a class fighter out of the Leninist Weisbord. The result is a stew of such quality as to be simply indescribable. It is only when Aldred cites a few facts from history of the Third International and produces fragments from the publications of the Communist Labor Party of Germany (K.A.P.D.) that the pamphlet can be read with some interest. In his exposition of the anti-parliamentary movements of Europe, numerous errors creep in with which we need not concern ourselves here. He has neither sufficient factual knowledge for such a work as he has undertaken, nor the theoretical equipment for seriously dealing with the complex of questions involved. Even where he is directly concerned, as in his relation to the Weisbord group and to the U.W.P., he is incapable of seeing the real differences between these groups or of grasping the real character of either of them.The Weisbord group is a hundred-percent Leninist affair with which the U.W.P. has not the least thing in common. The fact that Aldred is ready, because of a "friendly correspondence", to pardon Weisbord the whole of Leninism is enough to convince us that we also have nothing to do with people of Aldred's stamp, nor do we want to have.

(*) For Communism. A Communist Manifesto. Defining the Workers' Struggle and the Need of a New Communist International. With a History of the Anti-Parliamentary Movement, 1906-1935. By Guy A. Aldred. 120 pp. 25¢. Published in Glasgow, C.I., 145 Queen St., Scotland.

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THE RISE OF A NEW LABOR MOVEMENT

THE IMPOTENCE

The labor movement presents a picture of the greatest confusion. Numerous organizations and tendencies combat each other, while ever anew the hunger whip of the owning classes scourges the broad masses. And after each blow of the whip, the confusion in the ranks of the workers increases. Apostles of unity entreat the workers to end the internecine conflict and take up jointly the struggle against the owning classes. They haven't the slightest inkling of the whole situation. They think that the working class is powerless because of its disunity, while in reality the still increasing fragmentation arises from the ever more manifest impotence. With each new lash of the whip the owning class demonstrates to the working masses that the labor movement built up in the last 50 years in the course of painful and self-sacrificing struggles has no value whatever as a weapon against Capital. The old labor movement reveals itself--in the words of H. Gorter--as a toy sword against a steel armor.

How does it happen that the old labor movement is no match for the capitalist class? Whence arises the impotence of the old movement? In this connection we point for the present to two causes. In the first place, the old movement is wholly directed to step-by-step amelioration of the workers' situation within the framework of capitalism. The trouble here is that there can be no more thought of amelioration when the various capitals fail to yield sufficient profit, a condition which, as we know, becomes general in the crisis. In that case the impotence arises not from the weakness of the labor movement, but from the 'natural' impossibility of trying to get something where there is nothing to be had. The second cause lies in a different sphere: it is the mighty power of Capital.

This was not always the case. At an earlier period the capitalists were much less organized, so that the workers were able to accomplish something against the employers by laying down tools. Thus it was almost always small groups which engaged in the struggle, and hence also the trade unions and occupational associations were the indicated leaders of these movements. Even though on these occasions it was far from being the case that all workers were organized in the trade unions, still the trade-union leadership was recognized as a matter of course. The "movement of labor", i.e. the strike of organized and unorganized, placed itself under the leadership of the "organized labor movement". The "movement of labor" and the "labor movement" here coincide.

But in the course of time the scene changes. The employers combine in employers' associations, small business becomes big business, and these big business combine again into larger economic organizations such as syndicates, trusts, cartels and monopolies. In this way, Capital forms such a mighty block that the workers' strikes which were limited to single occupations hammered against it in vain. The trade unions accordingly tried to avoid strikes; they saw their task more and more in negotiations and cooperation with the employers' associations, and this cooperation finally thickened to the "working partnership" (Arbeitsgemeinschaft). They no doubt had to take this course, because there was nothing more to be accomplished with the old manner of struggle on the basis of occupations.

Still the "working partnership" between Capital and Labor can not fail in the long run to have as its consequence that the workers' standard of living is sacrificed to the interests of Capital. And because the trade-union leaders, as actual owners of the trade-union organizations, were simply not in a position to oppose anything of equal value to the power of Capital, they had to conform in everything. But even when the workers paid no attention to the contracts and agreements of the "working partnership" and themselves took up the struggle in wild strikes, the defeat followed with equal certainty. For the cause of the defeats is to be sought in the fact that an occupational group is much too weak to cope with Capital.

The possibility of an unfoldment of power as against Capital would be present only in case the strikers make the attempt to break through their limited occupational front, when they extend the movement without regard to occupational or organizational limits, --when they draw into the struggle along with them the entire class. Not until they develop from the "occupational front" to the "class front", --it is then for the first time that they unfold power.

THE CLASS " IN ITSELF " AND THE CLASS " FOR ITSELF "

In the coming development, this growth to the class front will come about. Or otherwise expressed: in the future the workers, driven by the conditions themselves, will truly find for the first time their cohesion, their coming to consciousness as a class. For if we have a mind to see things as they actually are, we must be clear on the point that at any rate the workers form a class as

against Capital;there is no doubt that the owners treat the workers as a total class. The workers are in so far a class as such; they form a class "in itself".But they are not conscious of this; it has not yet sufficiently soaked in that as a class they have common interests and tasks. As yet they do not form a class for itself. To be sure,there is already a vague feeling of class solidarity,but it is still overshadowed by the group feeling; one feels himself more closely bound with the occupational group than with the class in general.

The revolutionary workers are quite easily inclined to assume of the whole class that it is like the revolutionary part. In meetings,when the give expressions to their own ideas, the matter comes off in a form like: The working class wants this or that,it takes this or that standpoint,it says this or that. But in reality the working class says nothing, it does nothing and takes no standpoint.It is neither "for" nor "against".As an active class, it does not exist.It exists like any lifeless thing,hence passively.It does not exist as a living, active being until it comes into motion and to the consciousness of itself.

Naturally,there is no complete and unbridgeable opposition between the class "in itself" and the class"for itself"; one will be right in pointing out that in the course of the past century the working class came forward several times as a class "for itself"; that the working class actually thought something and said something,that it undoubtly adopted a standpoint. Thus in the parliamentary period, class consciousness expressed itself in the struggle for democratic rights and social ameliorations;it showed itself active in mass meetings,demonstrations and political strikes. .....

Looked at in this way,it might appear as if our class had developed backward and that a class consciousness is no longer present.Yet that is not the case.A class,too, can set its goals only in accordance with the tasks which are possible of accomplishment, tasks for which its forces are adequate. When great portions of the workers come into action,they do not begin this action with the aim of bringing down Capitalism and ushering in the communist form of economic life,because they know only too well that such a thing lies far beyond our present class forces. The working class does not act for the purpose of actualizing some theory or other,but in order to do away with these or those distressing conditions which have become unbearable.It can accordingly set for itself only limited goals which are within the scope of the class forces. ....Greater forces make possible a more ambitious goal.The "goal" is not something fixed, no marked-out highway according to which the stream of events has to direct itself,but it grows with the forces available.The goal in the struggle is a function of the unfoldment of forces.

And as regards the means which the masses apply in struggle ,we find the same relation.The masses are not free in the choice of their means of combat; these vary with the strength of the class.The growth of forces among the workers has as its consequence an extension of the means to be employed.Strength,means and goal stand to each other in mutual dependence and are in this sense inseparably bound with each other.

This mutual dependence between strength, means and goal must absolutely be borne in mind in dealing with all questions. As regards the present state of affairs, it explains the apparent retrogression of the working class, the apparent falling back into a state without class consciousness, and the backward development from a class "for itself" to a class "in itself". The falling back into passivity, the apparently endless patience with which all the suppression and exploitation are borne, can only be explained by way of the inadequacy of the means previously employed in the class Struggle, together with the fact that the class forces are not yet great enough for other means. The solution of the burning question with which the working class is faced is not yet within the scope of its forces, and for this reason the workers now have no "goal". But this is not a falling back into a state without class consciousness; it is the preparation for a new building of forces on a new foundation, in order to bring the solution of the question within the scope of their forces. The hopeless confusion and disunity of the working class, the collapse of the old labor movement, is in reality only the preparation for a new leap in the development of the class forces. And in this way the working class will again become a class "for itself".

In the coming period of development, the transition of the workers from a class "in itself" to a class "for itself" will be a growth. Not by way of propaganda of revolutionists, but through the hard practice of life. In future the owning class will make constantly more pronounced and more direct, and for the masses more visible, the power of the state as an instrument of exploitation. In view of this fact, the most innocent resistance on the part of the workers assumes directly the form of a struggle against the State, and that resistence will be met in the same manner as if they were real revolutionists, as if they were class conscious workers. ... The essential point about the coming period is that any real resistance on the part of the workers must be suppressed in blood by the ruling classes. Martial law, abolition of freedom of assembly, prohibition of newspapers and writings; tanks, machine guns, gas bombs and hand grenades become the ordinary means for maintaining "order" or reestablishing it.

The cause, however, of the violent offensive of the ruling classes, who call off the deception formerly practiced by way of democratic pseudo-rights, lies in the critical situation itself. the bourgeoisie has a very good feeling for the fact that the workers have reason enough for becoming insurrectionary. It fears the revolution more than the workers think. Thus the slightest resistance gives rise at once to the fear that it may assume greater scope. For the bourgeoisie there is then only the one possibility: to suppress in the germ even the smallest beginning. The conscicusness of its own innerly worm-eaten position makes it distrustful of any resistance, however insignificant.

And it helps in the beginning. The sharpened power of the bourgeoisie creates in the workers a feeling of impotence. To the mighty military machine of the bourgeoisie they have nothing of their own to oppose; they merely feel the inadequacy of the means hitherto employed. For this reason they feel weak and powerless. It is only individuals who then take stock of the new conditions and thus arrive at the conviction that new means and conceptions

are necessary. In vague form a like consciousness then arises within the masses.But it is only until the occurence of spontanous revolutionary outbreaks ,brought about through great pressure and unbearable misery,that the masses become aware of their own strength,and confidence in this strength begins to grow anew.

The bourgeoisie makes of each resistence a political struggle for power.But in this way the bourgeoisie itself brings the struggle onto a much broader front. For while at first the matter concerned the interests of this or that group of workers, now other groups are drawn into the conflict through the political and military measures of the bourgeoisie itself.The bourgeoisie extends the struggle from the occupational front to the class front.From being a class "in itself",the workers are welded into a class "for itself".

This offensive on the part of the owning class does not by any means take place out of free will.The thing by which the bourgeoisie is moved is.the state of capitalism itself. Capitalist production,and hence also the social life,can function only in case it yields enough profit. If the necessary profits are lacking, a greater or lesser part of production drops off. The provision of a new profit basis is therefore the first demand of the owning class.In this connection it is practically the interests of big capital which are considered in the first instance, because they affect the most important part of social life.For this reason the leadership,too, of the social life is turned over to big capital. Or otherwise stated: The concentration of the economic life finds its political reflection in the concentration of political power in the hands of individuals. And by the side of the concentration of the political power in the hands of individuals, powerful capitalist groups which control the State, there appears the necessity of worsening the situation of the workers in order to reestablish the profitability of capital. This development is a development to Fascism and National Socialsm;it is unavoidable in the wake of monopoly capital. It is synonymous with the end of the democratic development of society.The "democratic rights"--right to vote,right to organize,freedom of assembly,etc.--can no longer be tolerated.They are rights accorded only to organizations,groups or persons that subject themselves unconditionally to the policy of monopoly capital.

NATIONAL SOCIALISM

At first sight it would seem as if the workers take an antagonistic position to the urge toward the unveiled dictatorship of big capital.Yet such is not the case. Inversely,it is very probable that large portions of the workers in Western Europe and America are powerfully supporting this development.The thought of the masses is still,on the whole, quite bourgeois,simply because the social relations of human beings among each other are present in bourgeois-capitalistic form. It will not until this social order breaks up in the inevitable future conflicts, when the bourgeois-capitalistic order reveals itself as absolutely incapable

of regulating the social relations of human beings, that the thought of the masses too will change. So long, however, as the owning class, under the leadership of big capital, still keeps up the competitive struggle, so long is that class in its element and drags the masses along with it. The deeper, economic meaning of National Socialism is after all merely this, that it sharpens the order, the organization with which monopoly capitatal continues the competitive struggle on a higher level. The unity of the nation, the "people's partnership", thus becomes the "lofty goal" to which all special group and class interests have to be subordinated. It becomes the instrument with which monopoly capital conducts its economic and finally also its military campaigns. From each individual is demanded that he work at the building up of the economic life in order to "provide bread and work for everyone". The owners likewise must subordinate their interests to the "people as a whole", and not have their special interests in mind (behind this phrase is concealed the struggle of big capital against the smaller capitals). That the workers too must let their special and group interests slide for the benefit of the "people as a whole" is a matter of course, for: "When it goes well with the whole economy, it can not go badly with the worker". And then, finally, in order to assure the building up of such a "people's partnership", any propaganda directed against that end must be suppressed (abolition of democracy).

This phraseology is obviously in line with the thinking of broad masses. The workers under the influence of the trade unions had ever the "people's partnership" as their ideological basis. The Social Democracy on the other hand, had indeed a language borrowed from Marxism--the science of the class struggle--but their whole theory and practice has finally the "people's partnership" as its central point. All the socialization plans which up to that time had become known--including the "de Man plan" of the belgian labor party--have the "people's partnership" for their basis. It is certainly not too much to say that such conceptions regarding the people's partnership dominate the thinking of great masses in Western Europe and America. It is only in so far as the bourgeoisie in introducing the new social order abolishes democracy that it meets with resistance, but practice shows that this resistance will not be very great. The younger generation has not yet seen much good of democracy, and will no doubt scarcely raise a hand in its defense. It demands the solution of the day-to-day problems: if that is possible with democracy, or if things go better without it, in either case it is content.

THE STRUGGLE FOR DEMOCRATIC RIGHTS

What, now, must be the attitude of the revolutionary workers to the abolition of bourgeois-democratic rights ? Is it a "stern revolutionary duty" to defend the political rights to the uttermost? We say: No! We are of the opinion that anyone who fights for "democratic rights" is defending a lost cause. Democracy is not in place in a society where capital is concentrated in a few hands. Democracy belongs in a society where small ownership prevails,

which represents in this way its contradictory interests. But when concentration asserts itself in the economic life, this process must necessarily follow on the political field as well. It is a well-known marxist rule that the development in the material foundation of society is mirrored also in its politics. Seen from this point of view, the political dominance of monopoly capital is a necessary development. In view of the dominance of monopoly capital, a return to democracy is impossible, just as a return to small business is at present impossible. Anyone who today fights for democratic rights is trying to turn the clock of history backward, just as did the hand weavers a century ago when they stormed the factories in order to smash the machines. One might just as well found a society for the prevention of solar eclipses.

A forward-driving class can set for itself only such goals as lie in the train of development. The new labor movement must direct its glance in the forward direction. It has no reason to mourn for the lost "good old times"; the new conditions serve for its orientation. It is not justified in harboring any doubt that the bourgeois-democratic period is definitely over, because such a period is not in conformity with the concentration of economy. The beginning of a new labor movement is possible only where it is recognized that bourgeois democracy has become economically and hence also politically impossible and that the working class must win another democracy--the <u>democracy of the working class</u>.

The development to absolute dominance on the part of monopoly capital is a fact, and the abolition of democracy no less, even though various possibilities stand open as to the manner and means by which this is brought about. The big bourgeoisie has laid democracy aside as a weapon which is unserviceable for its ends, in order later probably to bring it out of the lumber room once more. Democracy will be trotted out when the workers march up in mass movements and seriously menace capitalism. Democracy can then once more perform its services, in that it confuses and divides the workers, in order thus to exorcise the menacing revolution. At that time bourgeois democracy will again become of significance for the workers, but not because they come out for its restoration but because they combat it. The proletarian revolution must overcome bourgeois democracy just as well as the absolute dominance of monopoly capital; it can only win under the cominance of the workers' councils, under the democracy of the working class.

The fight for democratic rights under the present conditions bears a utopian character. But not only that: it is also obviously impossible. What is the sense of trying to make a fist when one lacks even a hand? Before high-sounding speeches at meetings, operetta-like mass demonstrations or a strike here and there, with which it is desired to defend the rights of democracy, the bourgeoisie recedes not a single step. For bringing down the big bourgeoisie, other forces are needed.

We must look the bitter truth in the face; namely, that the masses still have to find the new form of struggle proper to them. The old methods of struggle,--the elections, the demonstrations, the meetings of protest, the petitions, the strike limited to occupations (with or without the leadership of the trade unions), the local insurrection of isolated, armed groups, however heorically it may be fought out,--everything has been struck from their hand like a broken sword. They have no greater effect than a revolver bullet against a 40-mm. armor plate. The great mass of the workers is quite well aware of this fact, and so also there is hardly a sign of any sort of resistance, while at the same time the hunger belt has to be buckled ever more narrowly.

No less true is it that in the class struggle of the present and future hundreds of thousands, yes, millions, must come into action if the power apparatus of the owning class is to be shaken. This too is very well known to the great mass, which knows equally well that as yet there is present no spiritual bond, no vital principle by which the millions are thrown as a unit into the struggle.

Here lies the essential difference between the struggle in the period coming to an end and the struggle which now beings. Down to the present time the various groups of workers fought each for itself, and the thing by which they were moved was the safeguarding of their occupational interests as metal workers, longshoremen, transport workers, etc. There was an absence of general class interests, and they had no need of any great unifying principle. An organizational apparatus sufficed for conducting the struggle and giving it direction.

But for conducting the struggle of the millinns who must now come out, no organizational apparatus is equal to the task. And yet the millions must move in one direction, must be guided in a common river bed, so to speak, if they are to arrive at common action. And since an organizational apparatus is not qualified for that task, it must be performed in some other manner. That happens when a new vital principle arises in the masses. It does not come about through preaching, it can not be imposed on the masses from the outside, or poured like a liquid into an empty vessel. The great unity of the like-directed class forces grows in struggle and through struggle, and it can be consolidated and remain an enduring thing only when the self-action breaks through from below in new organizational forms, when the organizations arise which in the struggle for emancipation combine the self-action into a total deed; organizations which are a bond of union in the struggle for freedom, and thus give rise to a consciousness that this freedom has as its content the mastery over one's own work, over the means of labor, over social production in general. It is the conversion of the thought world of the suppressed class to Communism. All class-struggle experience directed to the mastery of the class forces leaves in the masses its trace in the form

of class unity, struggle for freedom, communism. There thus arises a new vital principle, through which the masses are more closely joined, are inspired to greater sacrifice and greater courage, know how to exercise more discipline and solidarity, than a fixed, formal organization was ever able to demand of them.

Communism, seen in this way, is nothing other than the self-emancipation of the masses; they must be self-conscious, that is, in this sense communistic. Here the russian communists and the Third International under their influence separate themselves from the struggle of the working class for Communism. They take the view that it suffices when the masses turn the communist party into the governing party and when this latter, once in possession of the political power, constructs communism. To them the masses are the tool which is employed by the party. Anyone who thinks of communism in this way can also combine it with wage labor, and also finds no fly in the ointment when the Third International is so unprincipled and false as to be bound up in opposition to its own comrades. The new, revolutionary labor movement, however, must again bind up communism with devotion to the class. It has need of loyalty and comradeliness; it must assist in the overcoming of wage labor, in that it promotes the mastery of social life through the great broad mass itself. It is only then, at last, that dictatorship as well as the "democracy" of a ruling element has lost its meaning.

CLASS STRUGGLE AND COMMUNISM

A new labor movement will scarcely have further need, in its propaganda, of the word Communism, for the reason that the general concept "Communism" assumes more concrete forms. The general formulation, that it is a new economic system in which private property in means of production is abolished, no longer sufficies. The "new economic system" of theory was still an empty vessel, it did not live. It now begins, in the class struggle, when the question is one of mastering the social forces through humanity itself, to fill with concrete things, with life. When up to that time we formed a notion of communism as an economic system, we now see that we had only one side in mind, got only a partial glimpse of the problems involved. Just as natural science by way of technics has subjected the natural forces to society, so must humanity direct and govern the social forces. These social forces which itself creates and by which it is tormented as by blind processes of nature, humanity must learn to know and to subject. The mass of human beings must themselves direct and control all the social forces. To this end, however, it is necessary that all functions in the social life be exercised by the masses directly; the organs shaped by the masses for that purpose are no longer, as special organs of dominance, to be separated from them. They can only be the instrument by which the masses carry out what they have decided upon by taking counsel together. Here we have for the first time

what is involved in the workers' councils. For this reason also the carrying out of communism is at the same time the carrying out of workers' democracy. The control of the economic and social forces appears in this connection, to be sure, as the material foundation of society, but yet as only a part of a communist society, which in its entirety is far more comprehensive.

Seen in this way, the development of communism does not wait to begin until the workers have won the power in society and are establishing the new order in the economic life. It begins even now, the very day when the workers in the class struggle take their fate into their own hands and themselves conduct their struggles. <u>There</u> is born the workers' democracy, which governs the social forces. Thus communism arises in the self-movement of the masses; what we have here is the process of development in which the masses learn to conduct their own class forces and to apply them consciously in view of the goal. And it is only then, when the working class has its own class forces thus in hand, only then is it in a position also to conduct and administer the forces of society. In this sense, too, the saying of Karl Marx, that the new society is born in the lap of the old, turns to truth.

With this there is found for communism the simplest, but also at the same time the most essential formula. It can be understood by any worker forthwith, however much he may doubt of its practical carrying out. At the same time it becomes clear that the so-called dictatorship of the proletariat, before which bourgeois lackeys make the workers shudder, is in truth nothing other than the workers' democracy. But any worker also understands that this workers' democracy has nothing to do with the right to elect members of bourgeois parliaments. To make propaganda for the defense of universal suffrage as a defense of the democratic rights of the working class therefore amounts to nothing other than to work against the recognition of our <u>real</u> democratic rights.

The mastery of our own class forces by way of the mass is not brought about through propaganda; the hard experience of life compels the masses in this direction. The democratic period is practically, and on an international scale, closed. Legal organizations can henceforth merely attempt to check incipient class actions as quickly as possible. In a succession of defeats, the working class frees itself from this leadership.

Under these conditions, the new labor movement arises with quite new principles. It is composed of small illegal groups, which see the essence of the struggle for emancipation in the independent movement of the masses. And so they do not aim at power for their party or group; it is not their organization which shall become strong, but the class.

Meanwhile, the coming to independence on the part of the masses is a tedious process which takes place in a veritable hell. For never yet in the history of humanity has a suppressed class stood confronted by such a powerful enemy, never yet by such a murderous power; never yet was such an extensive, all-embracing task to be accomplished as that of acquiring mastery over the social forces of the world. And yet the working class is bound to fight out this mighty conflict, because it can not be evaded and there is no other power which can do it. For the unchained forces of capitalist society menace all humanity with destruction. All humanity sees with fear and trembling the approaching mass slaughter of war with its poison gases and plague-bacilli,--the result of the uncontrolled social forces released through capitalist production. No one wants this mass slaughter, and yet everyone is convinced that it is already terribly near and that it will finally break loose like an inexorable storm. It is a madness which no one wants and which nevertheless, with the certainty of a natural catastrophe, howls over the world. And because this is so, the battle for the mastery of the social forces must be fought. Even though, in a second world war, entire peoples should perish, the mastery of the social forces still remains as a problem which is unsolved. New and still more frightful catastrophes appear on the horizon. Therefore, the mastery of the social forces through the masses themselves is the problem of today and also of the coming time.

Only the working class alone with its army of millions is capable of fulfilling this task. It is the productive class under capitalism, and as such it alone is in a position to master the social forces of production. That, however, is the most important part of the task; for the productive forces are the well from which all other social forces are nourished.

The working class is here thrown upon its own resources. The Social Democracy and Third International call to the intellectuals and the middle classes for aid in order to tame the productive forces. They are looking for aid where none is to be found. The attempt at mastery over the forces of production through intellectuals and middle strata assumes the form of national mastery over the working class; it ends in National Socialism. The result is not the taming of the productive forces, but that the only force capable of taming them is completely subjected and the contradictions on an international scale thereby sharpened. The oncoming of new world-catastrophes is thereby accelerated.

The working class, which creates the surplus value, is also the only class capable of stopping up the source of surplus value, in that it makes wage labor impossible and introduces new laws of motion for social production. Naturally, the middle strata and the intellectuals also are menaced with extinction by the unmastered social forces. But as a class which lives on surplus value they can form no auxiliary force

where, with the introduction of new laws of motion for spcial production, the source of surplus value itself is done away with. The existence of the intellectuals and middle strata as a special class rests on wage labor for the working class; they can not be allies when the question is one of abolishing wage labor. But the first precondition for their conversion into allies is that the working class itself becomes a power to be reckoned with. When mighty working masses come forth in struggle and reveal the new, all-mastering power of the working class, it then becomes the magnet which draws to itself the dispersed revolutionary forces from all other strata of the population. Not sooner. The attempt at union with the middle strata or the intellectuals leads for this very reason to the opposite of what was intended. The working class may be proud to inscribe on its banner: Only the working class and only the working class alone! In this way the preconditions are then set for the "coming over" of important groups from the intellectuals and the middle strata. It is class power that we need! Class power!

THE SELF-MOVEMENT OF THE MASSES!

a) Meaning of the mass-movement

Through direct action in the form of the mass-movement the owning class is directly menaced. At present, not yet by reason of the strength or scope of that movement; for the masses are still struggling with tradition, they liberate themselves but slowly from the party and trade-union policy. For that reason the owning class will find it fairly easy for a time to suppress these movements. The danger to this class, for that matter, is not that the power of the owners is directly menaced, but in the fact that no independent movement of the workers is possible without overstepping the legal limits. The independent movement of the workers develops its own laws by which it is guided and acts, and the express tendency of these laws is that the workers shall themselves take charge of the social forces of production. Because the mass movement shows that the mass, when it consciously applies its class power, does so in order to take control of the social forces of production, because the masteey of the class forces includes the administration of the productive forces, for this reason there remains to the owning class no choice. It must suppress these movements instantaneously with the sharpest means at command.

As soon as an independent strike movement arises here or there, the bourgeoisie answers at once with martial law; newspapers, organizations, meetings are forbidden, if they are not in fact suppressed in advance. But when a movement develops, it takes action against such suppression. Meetings are simply held regardless, and newspapers are put out. That, however,

means taking up the struggle against the state power. If the workers draw back before this struggle, the ruling class is then enabled to suppress the movement. But once resistance is offered, the movement then becomes subject to its own inner law. In the strike area, where the workers have something to say, a different law prevails than outside that area. This other law reveals itself, among other things, in the fact that in the strike area the laws for the protection of private property must go by the board. And not because the fighting workers are conscious communists who let themselves be guided by the thought of putting the social forces of production into the service of the working class, but because nothing else is in order, because the struggle itself makes it necessary . . . . The mass movements show in the germ what later on will become reality in the whole of society. It is revealed in them that the masses can do nothing with their class force unless at the same time they make the productive forces serviceable to them. Both belong together.

So long as the mass movements are still small and still remain a surface affair, the tendency toward the mastery of all social forces does not come so clearly to light. But if these movements become large, then more and more functions are drawn into the province of the struggling masses,-their sphere of action becomes extended. And in this struggling mass there then comes about a completely new grouping of the relations between human beings and the productive process. A new "order" develops. Those are the essential distinguishing marks of the independent class movements, which are accordingly the horror of the bourgeoisie.

The development of the mass movement is therefore a development which has as its content the progressive mastery of the class forces and hence also of the social life. But this gradual process, this step-by-step development, takes place in the sense that what has once been attained remains as a class heritage, to be built upon further. Such direct successes as are attained are continually vanishing in thin air. What remains is the experienc Each mass movement develops anew on the experience of the previous movements. Thus there arise various measures with reference to the extension of the movements, to the provision of necessary material with which to organize the defense, to the distribution of foodstuffs, etc. These measures then come to be looked upon as a matter of course; they are things which are then no longer discussed, because they have become, through experience, through repeated employment, a part of the thought of the masses. Just as today no great arguments are engaged in any more when the question is one of setting up posts for the purpose of capturing strike breakers, because it "goes without saying", so the masses draw to themselves all functions of the social life, without advising long on the matter.

The suppression of a mass movement is accordingly also only a partial defeat of the working class. For such a defeat reveals by the side of the momentary impotence also the growing power;

it is only the defeat of the young giant, of the strength which has not yet fully matured.

b) Extension of the movement.

One of the first functions which take root in the thinking of the struggling masses is the extension of their movement. Today this question is still vehemently contested, but clarity on this point will be introduced mainly by the power which the movement develops. For a movement either grows rapidly into a genuine/movement, or else it is suppressed in the very act of getting/under way.
/mass

The old labor movement knows two methods by which a movement is extended. Either the trade-union leadership decides as to whether and in what measure this is to take place, and to that end sets the organizational apparatus in motion, or else various parties by means of leaflets etc. issue a call for solidarity on the part of the workers of other enterprises and occupations. In either case the extension is here not a function of the striking workers, but of the "labor movement".

A struggling mass that comes out on its own is first concerned with the taking over of this function. And then not in the sense that the "self-selected" strike leadership issues a call to the other industrial groups, but in the sense that the striking mass itself visits the other enterprises in order to urge their class comrades to solidarity.

Besides, it is quite conceivable that the workers still on the job fail to follow the exhortations of other organizations. The organizations are continually engaged in a struggle among each other, because each organization wants to increase its own membership at the expense of the others. So that the mutual struggle of the organizations is rooted not only in the difference of conception regarding the tactic to be employed, but is also a matter of organizational interests. No worker can finally fail to be aware of this, and so he lends no ear to the slogans of other organizations.

But when the striking workers themselves come up and appeal to the solidarity of the other workers, the matter takes a different aspect. The conflict between organizational discipline and class allegiance then assumes for each individual worker a sharper form, and the "danger" of a fraternization becomes more probable. The ruling class will therefore do everything in its power to prevent this fraternization; to every attempt of the masses to carry out the extension themselves, it will reply with strict military measures. For the present, a strike movement can accomplish nothing in the face of this military power, so that it appears senseless to seek extension in this manner.

And yet it is not senseless. For the workers who then still refuse to take part in the movement are forced to work

under military protection.The military state power which they hate has to protect them against their own class comrades. In this way the psychological conflict between trade-union discipline and class solidarity is sharpened and new possibilities for the extension won.

Even today,that is, in "normal times", when the horizon reveals not a cloud of aggressiveness on the part of the workers, the functioning of extending the movement through the agency of the workers themselves must be placed on the order of the day. Wherever workers come together,this principle must be given the central position. Looked at superficially,this has no direct,practical significance; and as a matter of fact we are not in a position to determine in what measure this principle will find a response--that can only be ascertained in practice.But the practical application of the new principle can only be facilitated by an intensive preliminary work and preparation.

A truly revolutionary propaganda does not,then, consist in the ever renewed calls to "revolution" or in the "release" of all possible conflicts. It consists in the constant,unremitting preparation of the possibilities of extension,so that the inevitably coming class conflicts may embrace the greatest possible number of workers.

c) The mastery of the class forces through the workers'councils

The second function to be performed by the masses themselves is the organic mastery of their class forces,--their "own leadership". Until this time the "movement of labor" coincided with the "labor movement"; the old organizations were fortwith the leaders of the movements. This relation between "mass and leader" was,to be sure,on various occasions ,broken through by the struggling workers in connection with revolutionary mass movements;still there was not yet seen in this circumstance any new principle born from the practice of the class struggle,but only a "deviation" from the usual course of events,and which simply resulted from this or that particular situation. The "deviation", however, consisted in the fact that the workers, without the consent and often against the will of the old organizations, took up the struggle , freed themselves from the old leadership and, under their own leadership,actualized a mass goal which had taken form in the masses independently of and in spite of the old leadership.And this "deviation" now becomes the usual form of the struggle when the mass comes into motion for its own class goals.

The conditions with which the class struggle is bound up at the present time leave no other choice.For the very reason that each movement of labor comes into conflict with the state power and departs from the prescribed legal path,because every single struggle must be so conducted as if the question were directly the emancipation of the working class,--for this reason any leadership over the workers is bound to break down, and what remains is only the leadership which proceeds from the struggling workers themselves. And this is not affected by the fact that parties and organizations can for the present still impose their leadership on movements which have arisen independently of them and against

their will.For when they succeed in doing that,it is merely a proof of the fact that such a movement is too weak for further independen unfoldment,---it is on the decline. This "leadership"then has the task of bringing the movement into "orderly paths"; that is ,the movement is so"led" as not to come into conflict with the laws and the state power which stands behind them.

For this reason it is necessary that the principle of "self-leadership of the masses" become the central point of the class movement.This principle is as yet but weakly represented. The tradition that class movements must be dominated and led by way of organizations is still so deeply rooted that new groups are continually arising which set this leadership as their task. When the old organizations can not and will not conduct the class struggle, then they want to set up new organizations which can do the job.

Naturally,there is a kernel of truth in the old traditional conception; namely, that the class forces have to be mastered and led.For when a proletarian mass movement is merely in the form of a spontaneous outbreak,the class forces are, to be sure,unleashed; but when these forces are unmastered,not yet consciously directed, their action resembles that of a thunder-storm which discharges itself without further consequences. The mastery of forces,however, consists in applying them in view of the goal. And therefore these forces must be directed and organized. This is just as true today as it was 50 years ago,and is not antiquated. The new conception consists in the conviction that these forces can not be mastered and led by way of an organization. The functions which have to be performed by the workers in connection with major mass movements are so numerous and extensive,--they extend finally to the whole sphere of social life,--that no party is in a position to take upon itself the task of leadership. In the last instance, that can be done only by those who must finally exercise these functions, and they are the workers themselfes.

It is precisely here that we have the enormous difficulty of the present process of development;that the forces,so long as they discharge themselves chaotically, without inner connection, are also easily struck down.But from the experience acquired in these struggles grows the unity and coordination of the forces. some take over these and the others those tasks;this process gives rise to a conscious division of strength and labor,that is, the forces are mastered and organized.

In so far as our experience extends,we have seen that this coordination takes place in the form of committees of action,which in the revolutionary movement of Russia and Germany since 1917 have become known as worker's councils. For the carrying out of measures of a general sort,there is a general workers' council. Thus history tells us,for example,of the "Great Workers' Council" of Hamburg, the "General Workers' Council" of Berlin,of St.Petersburg.The "Central Workers' Council for the Ruhr District", for example, seized (1920) the banks in order to assure payment of wages during the general strike.The Hamburg workers' council,again, had recourse to measures for regulating supply of the whole city area with means of subsistence, and also sought to organize the resistance to the central state power.

Thus the mastery of our class forces, under the present-day conditions, finds its practical form in the council system. As a class, we can consciously apply our forces only in the measure in which we have been able to crystallize them in the workers' councils. In every mass movement the organizational drawing to - gether and coordination of the forces, their conscious application, assumes more fixed forms. In this direction lies also the task of the revolutionists; the aim of their striving must be to make each mass movement more and more into a council movement.

The growth of the mass movement to the council movement shows us in what measure we are learning consciously to apply our class forces.

But after all, we may ask, is it so certain that mass movements will develop into the council movement? Has National Socialism in Germany and Fascism in Italy not brought the masses into a movement which bears no trace of workers' councils, but rather set over the masses an opposite principle, namely, the dominance of the "leader"? And a second question arises: Will the increasing economic distress, the ever intensified exploitation by the ruling class , lead to a struggle for the means of production, to a struggle for mastery over the productive forces by the workers? Has not the experience in Germany and Italy shown that the persistent worsening of the workers' situation has driven the masses not to the left, but to the right? Has there not come over the masses a wave of nationalism and militarism, of destruction of everything reminiscent of the labor movement? In short, is not the thought of the laboring masses more than ever capitalistically oriented? And are we not bound to realize that in the fascist countries the laboring masses do everything in their power to <u>rescue</u> capitalist economy?

In actual fact! We are indulging no illusions that the working class is moving straight ahead toward the mastery of its own forces. But we know, too, that this can not be a permanent state of affairs, that it does not prevent the final ascent of our class to power. We derive this knowledge from the science of the laws of motion of capitalist society, which tells us that capitalism can only maintain its existence by ever greater impoverishment of the broad masses.

Whatever ideas may be present in the masses regaring an "ordering" of capitalist economy, the fact remains that this ordering is dictated by the interests of monopoly Capital.

The big capitals which in modern capitalism constitute the determining force in economy must yield profit if the whole economic life is not to be brought to a standstill. They can only live any more from the dying of the masses. The central problem in our present-day society is simply that the productive forces are not only means of production and labor power, but at the same time capital, and that they can produce only when, as capital, they create enough profit for the owning class. That is attempted trough constantly sharpened exploitation, leads to the

absolute impoverishment of the broad masses and finally after all comes up against its natural limits.

The problem is therefore not an "ordering" of capitalism, but its abolition. The fact that the productive forces are at the same time capital and as such must yield profits becomes in ever increased measure a hindrance to their application. Therefore, in the interest of the broad masses, the economic life must function even without yielding profit for capital ownership. This, however, is equivalent to saying that the means of production can no longer appear as capital and that the capitalists can no longer appropriate the workers labor through the purchase of their labor power. When the means of production are divested of their capitalist character, they are thereafter only tools with which the free workers produce goods in order to satisfy the need of the hungering mass.

The complete overturn of all economic relations is therefore the problem of our time. The relation of human beings to the means of production, which today is characterized by wage labor; the relation of human beings to the store of goods present in society, on which the workers can draw only provided that and in proportion to the price at which they sell their labor power; the relation of one human being to another, in so far as they belong to different classes, and which appears in the form of master and wage slave, of appropriator and expropriated, of buyer and bought: -- all these relations receive a complete and fundamental transformation. For with the elimination of the quest for profit and hence also of the capital character of the productive forces, the whole circulation of social goods is brought into other channels, while all relations of human beings among each other assume new forms.

Fascism is neither able nor wants to solve this problem, and will accordingly, after it has shown its true face in this decisive question also, be overcome by the masses themselves. The solution of this very problem becomes ever more pressing, and hence also mass movements directed toward setting up production for and through the workers are unavoidable.

The decisive point in this connection is that it must come about, --the will to that end arises from the necessity, --while the working class is able to do it only when it forms itself to that end in the workers' councils. The conquest of power in a certain district will then not be the greatest difficulty. Much more important still will be the question whether the workers succeed in mastering production; that is, in doing away with the relation of master and slave and, by binding together the various enterprises, in introducing the social regulation of production. That is possible only through the workers' councils. And they must also assure supply of the means of subsistence to the broad masses, in that through social regulation of distribution they make impossible the private appropriation of the products of labor. This regulation, too, is possible only when the working masses are organized in councils.

So that the growth of the mass movement as a council movement is the yardstick with which the conscious application of the class forces can be measured. The idea that the workers'councils arise only in the revolution itself must therefore be rejected as false. In connection with each movement proceeding from the working class, the main concern must be with the forming of workers'councils. The significance of a mass movement consists not so much in the material successes which it attains, but whether and in what measure it succeeds in applying the class forces through their councils.

THE NEW LABOR MOVEMENT

Up to this point our efforts have been directed to showing that the"movement of labor" assumes in the workers'councils the form through which it is in a position to master the social forces. We now turn our attention to the new "labor movement",to the organizational binding together of the still relatively small number of revolutionary workers who have consciously adopted the standpoint of the workers'councils. In this connection it is first necessary to draw a sharp boundary line between organizations which call themselves revolutionary but in reality still belong to the old "labor movement" and those which are developing in the new direction. All organizations which lay claim on the leadership of the struggles, which want to become the "general staff" of the working class, stand on the other side of the boundary line, regardless of how recent may be their date of birth. On the other hand, all organizations which do not want to snatch the power into their own hands but only want to promote class power, which elevate to a principle the self-movement of the masses through the workers'councils, -- all these we count as belonging to the new labor movement.

This new labor movement is already present, but still after all just in the first beginnings, so that as yet it is scarcely possible to speak of a developed organizational structure.For the present, it still appears in the form of small illegal propaganda groups which turn up here and there, are of varying opinion on a great number of practical and theoretical questions and for the moment will no doubt remain so. But even as they are,they are still the organs through which the class strives to come to an understanding of its true situation. In these groups, which remain rooted in the mass, is revealed the reorientation of the thinking of the class. Still spontaneously at first, here and there groups take form which are without much cohesion and hence also with divergent conceptions. But the more this group-forming asserts itself, becomes the general rule, and is finally recognized as a necessary schooling of the working class, the more also will the divergent conceptions be merged into a unity.

Party or "Work Group"

We now have to answer the question whether these propaganda or work groups must also be looked upon as new parties. For these groups have, just as do the parties, a political program;they are

groups with more or less fixed opinions, and with distinctive directives for their own activity as well as for the class struggle in general. So it might appear then that they, like the hitherto known parties, stand aloof from the mass, elevate themselves over it and finally after all once more strive for dominance over the mass. But anyone who judges in this way fails to see that the conceptions advocated by the new work groups regarding the path which the working class must take for its emancipation are directed to the overcoming of all forms of dominance. The content of their propaganda does not convert the groups into organs of domination, but into organs through which the class itself derives the necessary knowledge and thus is in a position to shake off all dominance.

Otherwise with the hitherto known political parties. These want first to win the state power, and then, by way of decrees, ordinances, laws and government measures, put through their political program. This is the usual way in bourgeois class society. But such a policy simply has as its presupposition the class oppositions in society, and is at the same time bound up with them. It can have as its content merely a view to softening the oppositions, of "bridging them over" or "compensating" them. But the opposition between master and slave may be "compensated" as much as one likes, master and slave nonetheless still remain. This opposition, on which the whole structure of present-day society is built, and hence also its government, can not be compensated, not even through the policy of a government which calls itself communist. It can only be done away with, in that the workers, through their councils, directly seize the power, themselves carry out all political (social) measures, and in collective union obtain the disposal over the preconditions for the production of their own living. That, however, can not be accomplished through the policy of a government, but takes place only in the course of a revolutionary process in which the working masses themselves come to maturity and rise to be the social power.

In view of the specific character of dominance which is bound up with the concept "party", whereas the new work groups direct their propaganda precisely against such a character, and also, in so far as they have a political program, are in complete opposition to the known party conceptions; these groups have practically nothing in common with what is understood by "party". They differ from parties essentially, and can therefore not be looked upon as such. For the present we call them "work groups"; as to what name they may finally receive, we must leave that to the further development.

The Work Groups

The task of the work groups, viewed exteriorly, is very modest. The revolutionary phrase, brilliant speeches of great party leaders, tom-tom propaganda and party advertising have here lost all meaning. And yet their importance is much greater than that of the most powerful party propaganda could ever be. So long as only isolated groups sporadically here and there set about, through serious study, making themselves acquainted with the movement of

the social forces, so long the importance of this work does not directly strike the view. But as soon as they become more general, when they form a consciously widespread movement, when work groups arise eveywhere for the purpose of imparting to the workers the true (scientific) insight into the social process of life, then the picture is altered. Their task is then no longer small and modest, but gigantic and all-mastering. In the work groups the working class has then shaped for itself the instrument with which it masters the science of the social forces.

The time for it is due, and over-due; unless all signs fail, the development presses in these directions. What remains in Germany, for example, of the old labor movement are small illegal discussion groups in which the workers seek to find their way under the newly formed conditions. It is only in these discussion groups, in fact, that an independent labor movement there under the present conditions is at all possible. And what even today has become reality in Germany will in the near future have its entry also in the other capitalist countries. Then, there too, the time will have arrived when, with the visible collapse of the old labor movement, the new form of illegal discussion and propaganda groups or, as we prefer to name them, of work groups, will become necessary.

As yet such groups arise through the circumstance that various workers come together in order to converse regarding their class situation. They are still weak and uncertain and not yet in a position to come out independently. There is still too little knowledge and skill in order to function as a unit, from which the new principles may pass to the outside. All that must be made up for in painstaking, serious work upon oneself and upon the group. To this end, however, it is first necessary that the groups realize the great importance of their work for the emancipation struggle of the proletariat. When it once becomes clear to the workers that they can here practically and actively work at the maturing of the whole class, each in his locality and each group as the little wheel whose absence is not allowable in the great structure of the working class if the class is to become fit for action , -- then they will devote themselves whole-heartedly to this task. Then, however, what still today appears to many as impossible will become a matter of course. Then the work groups which have gone on in advance along this path and which, basing themselves upon the marxian social doctrine, have recognized the whole breadth and depth of the problem, -- the emancipation of the proletariat -- must call on their class comrades to follow everywhere their example. They must point out the necessity that each group form an independent unit capable of thinking for itself and putting out its own propaganda material. Each new work group must become a radiating center for the idea of independence and the impulsion to the forming of more and more groups. Here a field of labor lies fallow, of such enormous extent that there will not be forces enough for tilling it. But this labor, once begun on a major scale, sets free so many new forces that it will finally arouse the enthusiasm and the allegiance of the whole class.

In the work groups of the new labor movement the soil is

being prepared on which arises our knowledge of and insight into the movement of the social forces. What the individual, left to himself, can not do is quite possible in collective exchange of ideas, first in the work group and then in the connection of the groups among each other, which finally create the spiritual bond throughout the class. The analysis of the constantly changing social phenomena -- in the old movement the monopoly of the intellectuals and leaders -- is here <u>accomplished by the workers themselves</u>.

The very widespread opinion to the effect that such a thing is beyond the capacities of the workers is quite wrong-headed. Inversely: The intellectuals and leaders of the old labor movement are incapable of giving an analysis of the social developments for the revolutionary proletariat. They see the phenomena otherwise than do the revolutionary workers because their goal is different: they today play the part of leaders and want to retain that part in the future also. Their thinking can not be other than required by the function which they perform in this society. They form a special privileged stratum whose function is built on wage labor, economic expropriation and deprivation of rights for the working class; they fight for the maintainance of this function, and to them accordingly also the abolition of wage labor and the dominance of the working class itself must appear a utopia. To the workers themselves, however, nothing stands in the way of taking up into themselves that knowledge which, through scientific investigation on the social field, is present in great fullness. This knowledge, which in the great works of scientific socialism is formulated into social laws of motion and the correctness of which is proved a thousand times over through the process of development of our present society, and at this very time is being more and more confirmed, this knowledge can be understood only by the workers. For this knowledge tells us that the capitalist order of our society with its ever mightier forces of production comes into ever sharper conflicts which it is finally incapable of overcoming. It tells us that only the working class is capable of putting an end to that, in that it rises out of wage slavery. It is only scientific investigation which teaches us to know the whole of society. The method of social investigation, the historical-materialistic one, which has developed in the course of the 19th and 20th centuries and which has been established in the works of Marx, Engels, Dietzgen and others, must now be applied and put into practice by the workers.

This task, however, can only be accomplished by the entire class. It begins wherever groups arise which take as their task the analysis of the social events; groups which develop finally into the common brain with which the class thinks, when everywhere groups have arisen whose bond of union is a similar manner of thought. The task is enormously great, but it will yet finally be mastered by the inexhaustible energy of the working masses, for only thus is the way prepared which leads to the emancipation of the working class.

The "diseases of childhood"

The new labor movement thus arising has, naturally, its "diseases of childhood". These are frequently of such a dangerous

character that most of the newly arisen groups succumb from them at present. In the last five years alone, such groups have arisen again and again, only in order to disappear as they come. The causes of this are mainly two: The most essential one is that they lacked a sufficient theoretical foundation; they were still too much a hodgepodge of traditional ideas and of new ones insufficiently digested. The second cause lies in the fact that under the new conditions collaboration in the groups must have a quite different character than in the old movement. The intellectual qualities required for that purpose are not forthwith present, they must first be learned and acquired in struggle. For these two reasons the problem of group-forming is also much more difficult than appears at first sight.

The insufficient theoretical foundation becomes so dangerous to the new groups for the very reason that it leads to inconsidered and aimless actions. When impatience instead of insight becomes the counsellor of action, one seeks to drive the workers into all possible actions and expects thereby, through the artificial release of actions, that the faith in leaders will surely be driven out of them. This becomes at last a consciously applied method for "revolutionizing" the working class and "educating" it to the class struggle.

And so their language is fearfully "revolutionary"; their description of the ruling class is horrifying and they end in stereotype manner with the alternative: Revolution or decline into barbarism. This gives them the feeling of being very revolutionary and the conviction that they are front-rank fighters in the proletarian revolution. But all that is accomplished by it is that the revolutionary impatience is discharged in strong words and explodes like loose powder, witout injury to the ruling class. And when after all, here or there, isolated small groups permit themselves to be driven in this manner into an "action", they merely demonstrate how laughable such a tactic is. The revolutionary language can not replace what the class lacks in the matter of insight. The attempt by such methods to make the proletraiat "ripe" for revolution merely demonstrates that these "front-rank fighters" themselves still lack the most elementary insight into the conditions of the proletarian struggle for emancipation.

The other "disease of childhood" consists in the fact that the work in the group must first be learned, that collaboration in the groups has not yet found the form befitting the new tasks, and that even the workers collaborating in the groups have to acquire new intellectual qualities adapted to the new conditions. The most characteristic trait of the old organizations is that their members, who have joined them on the basis of certain principles, are controlled through the organization itself. The individual wants to subject himself to the principles which he holds to be correct; in reality he subjects himself to the organizational apparatus, which in its turn lays down the principles, alters them, determines in how far they are valid in this or that case, etc. and even establishes how the members must act in accordance with these principles. The individual member who through his entry becomes a part of the organization thus subjects himself to

the "leadership" of the organization. This "leadership" is regulated, delimited and defined by regulations and statutes in which the rights and duties of the individual with respect to the organization and inversely are laid down. Anyone who sins in any manner is called to order in accordance with these rules of organization. The democratic constitution of the organization was designed to provide that this leadership should be decisively influenced by the members; but the more the old organization sprouted into a purely bureaucratic apparatus, the more was this sort of influence reduced to a minimum and finally quite thrown overboard.

The labor organizations are thus a faithful image of the political order of bourgeois society in general. The national-socialist party has contributed the final tuoch to this development, in that it elevates the autocracy of the leadership into a principle; a leadership which is henceforth responsible only to its "God" and its "own conscience". But whether along democratic paths or through bureaucratic decree or finally just through the "God-illuminated" leader, the organizational rules and statutes are yet the basis on which the activity of the individuals in the organization is bound into a whole. In this way they can work together in spite of the fact that they mutually distrust each other's judgment as to the proper course and are ready at any time to discredit their neighbor if he stands in their way in the organization.

In the last few years we have become acquainted with various groups which had retained this mentality from the old movement, and which have disappeared as quickly as they came. It was first attempted to bridge over the mutual differences through the building up of an organizational apparatus. But in small groups that is practically impossible: here the mutual distrust very soon dissolves any organizational bond. The first lesson which may be derived from this is that small groups are capable of working only when their members have at least an approximately like conception of their tasks.

Groups which still today wish to become "big" -- big in the sense that the organization grows big and powerful -- find themselves on the same path that the old labor movement has taken. They still bear the distinuishing marks of the old labor movement, where the organization "leads" as an apparatus and the individual member <u>subjects</u> himself to this leadership.

So that at the present time it is only like-minded people who can combine in small groups. It is better that revolutionary workers in thousands of small groups work on the coming to consciousness of their class than that their activity be subjected in a large organization to the striving for dominance on the part of their leadership. That does not preclude collaboration of the groups among each other, but rather makes it more necessary. If it is shown in practice that such collaboration has been attended with succes, then in truth is the smelting together into a great organization of like-minded persons surely accomplished. But this smelting together to an organic unity can only be the result of a process of development.

The groups which are to be the starting point of the new

labor movement must consist not merely of members with like conceptions regarding their tasks. These conceptions themselves must be distinguished essentially from those of the old labor movement. The first and most important of these conceptions is the one which has to do with the member's activity in the organization. It must be distinguished from the old conception in that the member does not subject himself to a leadership, but that he combines in collective comradely manner with others of like mind in order that a "leadership" to which one must subject himself may be made superfluous. The leadership as well as the rules according to which the collaboration in the groups takes place can not be a foreign apparatus ruling over the members, but must proceed ever anew from the absolute devotion of those members. They themselves make ever anew the leadership and the bond that binds them to common action in the group; that is the all-surpassing will to leave personal interests out of account when the fulfillment of the common tasks so demands.

S U M M A R Y

When we bring together a few general aspects of the new labor movement, it is seen that the aims which it sets for itself are very different from these of the old movement. This latter wants, by way of action through the trade unions and through social legislation, to bring about ameriolations on the basis of capitalism. The new labor movement, on the other hand, directs its activities to the attainment of a state of society which has as its presupposition the abolition of the capitalist order. In the mass movement, it wants to bring the mass to self-organization in the workers'councils, so that through these the mass can perform all functions of the legislative and executive power and itself carry out all tasks in relation to production and distribution. The revolutionary workers who take as their task the propaganda for the self-movement of the working masses want to combine them in organizations under their own leadership, in work groups which in all that they do remain completely independent. These work groups have not only the task of propaganda toward the outside; essential at the same time is their own schooling; knowledge is necessary. All the bourgeois professors on earth, even when they are combined into a "brain trust", can not do away with the all-mastering opposition between Capital and Labor. They can not discover the essential cause of the constantly increasing social catastrophes, for that cause -- wage labor -- is at the same time the basis on which arises their privileged function in society. Only the working class alone is in a position to do that, because it must if it is not content to be pressed ever farther down in the scale.

The central problem, which ever more pressingly cries for its solution, consists in the mighty development of the productive forces and the impossibility of applying them. Capitalism continues to maintain itself only by ever anew destroying productive forces or throwing them out of action. This problem stands today in the center of all thoughts; it begins to pursue each individual as well as the mass; it can not be evaded. We must therefore

make this problem the central axis of our self-schooling and propaganda. Until theory seizes the masses: then theory becomes a material power. And it is only then that we learn to know the full significance of the words:

T H E E M A N C I P A T I O N O F T H E W O R K I N G

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GERMANY TODAY

The catastrophic economic condition of Germany, especially in regard to raw materials and finance, leads to the conclusion that the system will soon collapse. The ability of capitalism to "muddle through" is often under-estimated by the revolutionary proletariat. The example of the war years (with certain reservations) is invoked. But, even without considering the intensification of agricultural production that has progressed greatly since the war, the raw-material situation today offers more avenues of escape than formerly. Although the actual production of artificial raw materials, such as benzine or fibre, fail to fulfill the boastful announcements made, essential sources are available. Besides, no matter how limited the exports, with the regulation of the valuta policy the most urgent raw-material needs can be met. That these manipulations lead to constant annoyance of certain trade circles; that regular export trade suffers and the inner contradictions are intensified is obvious. All efforts to overcome the difficulties lead but to a postponement, not an overcoming, of the crisis.

It must not be overlooked that the foreign exchange problem in its relation to the securing of raw materials is not confined to normal methods. Although the Reich and German industry in general has received no foreign credits till now (it remains to be seen what the outcome of England's conciliation policy will be), yet some monopolistic firms are receiving them and thus are independent of the general credit difficulties in securing their raw materials. Thus the I.G. dye trust (I.G.Farben) reports that the concern disposed over four times as much in raw material credits in 1934 as compared to 1933, namely 28 million marks. The credit resources of I.G. are far from exhausted by this, as it can offer credit securities of enormous value in its foreign branches, partnerships, etc. For example there is the hydrogenation process in which the

Rockefellers participate, used not only in coal but in making benzine out of oil as well. The big concerns, Siemens, Mannesmann, the steel trust command similar reserves for securing raw materials.

The second problem, that of finance, is subject to similar conditions. True, the domestic debt has increased enormously. From the standpoint of the respectable merchant the period of bankruptcy has been reached long ago. An indebtedness of 20 milliard marks according to the figures of the "Reichskreditgesellschaft", more than double that of the first half of 1934, offers a clear picture of the hazardous state of German finance. But Gambler Schacht still holds a few tricks in his hand. Though the Reichsbank and the finance ministry has vainly appealed for foreign credits to the various commissions and observers representing American and other foreign financial and government institutions in Berlin- the fact that this debt is an internal one (because of refusal of foreign credits) constitutes Schacht's main chance. The debts have remained within the country; the creditors are the beneficiaries of the public works and armament policy and it is possible to exert considerable pressure on them, for instance, the argument that if the large capitalists consider a large loan unsafe the previous credits become worthless. Incidentally a part of the domestic note issue, underwritten by the large concerns has been transferred to foreign institutions, though it is impossible to estimate the actual amount. However, with or without pressure, the capitalists themselves are interested in seeing a part of the short-term loans transformed into long term credits.

Of course, it is still impossible for them to perform feats of magic and the card tricks of high finance will not be sufficient to forestall eventual collapse. But as yet the possibilities of postponing, of staving off collapse exist. Nevertheless the resources of the various economic groups are drained and the basis of the system over the longer period is undermined.

At present the only measures contemplated are those serving the imposition of a great domestic loan, following the forced loans on the banks and insurance companies to the tune of 1,2 milliard marks, which temporarily lightened the burden. A further 70 to 90 millions is added by the change of the house rent tax into a forced loan. However this is but robbing Peter to pay Paul, for the elimination of the tax on the one hand is made up by the forced loan on the other habd, although the budget took this into consideration.

At present, then, it is planned to float a large loan at low interest, which is made attractive to the lower income classes with tax reductions. The capital market has been prepared- partly through the limiting of public works, which aroused the opposition of the profit-hungry industrialists and aggravates the unemployment problem (for which an outlet has been provided by compulsory military service); partly through manipulation of the Gold Discount Bank belonging to the Reichsbank, which is authorized to issue notes for 200 million marks. The money market appears unusually flexible. The English "Economist" points out that in spite of an interest rate of 3 1/8 to 3 3/8 % for day-to-day loans plenty is offered at 2½%. Political and moral pressure is to do the rest in starting the loan of 2 milliard marks. Behind the scenes violent conflict occurs over the methods of floating the loan, especially as to the exact forms, so as to avoid heavy depreciation, as a loan of this magnitude cannot be floated successfully if sale and loan privileges are denied.

The third great problem is that of the foreign relations.Here,also, overestimation of the difficulties must be avoided; we must reach conclusions after sober consideration, especially in regard to war, when ? and against whom?

True, the almost complete isolation of Germany was evident in the Geneva deliberations. But how important is that ? What will be the results? A review of the last months, when the English white book was published, which delayed Simon and Eden's trip; when England, France and Italy united at Geneva, when McDonald in the "News Letters" joined the anti-German front, every one thought the Ring around Germany was as firmly welded as the French defense lines on its eastern front. But the commentaries of the English press to Hitler's speech of May 21 showed how quickly the gates could again be opened.Not all papers were as enthusiastic for Hitler as the Daily Mail of May 22 which said," His words will bring relief and hope.Germany being ready to cooperate in the cause of peace should be welcomed warmly and met half-way.Our government should do all that is in its power to satisfy her legitimate aspirations including the return of Germany's colonies. Hitler, after all,is the one great constructive mind that Germany has produced in this generation." But other papers,including the Daily Herald ,adopted a friendly attitude, not to speak of the hymn of praise of "Comrade" Phillip Snowden. Here it becomes obvious that German policy is neither so blind nor insane and unconsciously displays more sense than it is credited with by many fanatics who are blind to the capitalism of other countries and only see the capitalism of the Nazis in the dark colors. Hitler, the spearhead of modern Germany, does not want war with a united Europe.He aims at a new bloc policy,to take advantage of the breaches in the anti-German front. That this is sound policy should be obvious. The fact that France under pretext of a few undelivered telephone posts in 1923 occupied the Ruhr, against a disarmed Germany, while in 1935 it participates in a conciliation policy with rearmed Germany, demonstrates the new international developments,shows how far the conflicts of the various imperialisms are forcing new alignments." Rearmed Germany is a desirable ally for either of the main groups of powers in the next conflict. War is not imminent because of the re-establishment of German military power.Only when Germany has oriented itself in relation to international capitalism and formed the consequent alliances will the war question become acute. And this orientation of course will depend also on the German internal situation.

What is the internal political situation in Germany? In view of the widespread espionage in personal contacts as well as mail communications it is difficult to arrive at conclusions that are complete and accurate. However, what knowledge we have is based on personal observations and experiences in various parts of the Reich, on contacts with various strata and interests. The picture we have shows that National Socialism not only has not captured the broad masses as a "Weltanschauung" but that sentiment is recoiling against it. This applies to those who originally supported it or were "converted" in 1933 as well as to that group whose class interests were originally represented by it - the middle classes. Not the least opposition comes from the farmers, driven thereto by the inheritance law, all but whose first-born are disinherited. Their illusions were shattered by the failure of the settlement policy and the unlimited support given to the great landed pro-

prietors. Unemployment in the cities closes that avenue of escape to them and they are forced into the labor camps,on road-building, and into the Reichswehr where they are not at all the loyal subjects they are usually pictured. The conditions in the camps, and in the agricultural aid (Landhilfe),where these farmer's sons are herded together with unemployed industrial workers to work for landed proprietors and large farmers, are depicted in a number of letters recounting their experiences. Ten to twelve hours work per day with shelter and lodging of a kind already notorious among the Polish seasonal laborers in Pomerania and East Prussia in pre-war days; wages of 20 marks from which is deducted the social insurance and similar fees as well as their travel expenses, which had been advanced by the state in railroad tickets.The slaves are not only shipped regardless of their wishes, but must pay the shipping costs themselves.

The middle class in the city also feels cheated - the destruction of the mortgage and loan capitalists, the elimination of the department stores did not materialize after "clean" Aryan capitalists took over these functions. The small dealer and the tradesmen note no greater purchasing power and feel the pinch of large capital. The wholesalers are increasing prices more rapidly than the retailers can follow, as the market remains sluggish. This applies to all finished textile goods and food, especially the latter, as farmers selling milk and meat were granted much higher prices while the retailers, in view of public sentiment were granted only a small increase. At the same time this policy favors the better rationalized large concerns and intensifies the concentration of capital.

The boasted credit facilities to the middle classes,promised by the National Socialist economists, proved a similar failure. The bank statistics point to the number of single credits granted of less than 20,000 marks - The German Bank & Discount Co. estimated these loans constituted 90% of the total in1934. But the total amount loaned to small and medium sized concerns is only about 25%. The other 75 % of the total money loaned is in the hands of 10 % of the borrowers. Since 1933 a further drop in small and medium loans has occured. While the total of loans from 300 to 20,000 marks receded from 235 million marks to 210 million- about 10 % - the total loans above 20,000 marks increased from 470 million to 620 million marks - about 30 %.

The beneficiaries all along the line are the large capitalists, the banks,industry and landed proprietors. Never before was a government so clearly the expression of the class rule of monopoly capitalism as the absolute leader-dictatorship of the National Socialist State. This appears in the balances of the great corporations such as I.G. Dye, Siemens,Krupp and Mannesmann Brothers. I.G.Dye, aside from invisible reserves, in 1934 earned 51 million mark dividends and extras, as well as 80 million marks by lowering of book investments with a total of wages, including salaries,of about 200 million marks,divided among 165,000 persons - an average of 1,200 marks annually. This shows the degree of working class exploitation when it is considered that this "high" average includes the incomes of the better paid employees as well as that of executives up to Bosch and Duisberg themselves.

These income figures in the greatest chemical concern are typical of working class conditions generally. According to the statistics of the German Labor Front the average weekly wages of industrial workers amount to 21 ½ marks, with average working hours of 43 weekly. In addition there are the increased prices for food and clothing, an increase not fully determinable because the quality of goods is deteriorating constantly in order to make the price increase appear less oppressive.

Deductions and penalties of various kinds aggravate the worker' lot. Idle time, time spent going from one job to another, and other necessary but unproductive functions are penalized. For example, an iron foundry in April of this year, with a 60-hour week reckoned the pay of an skilled worker, including overtime, at 46.15 marks, deductions 10.20 marks, leaving a net of 35.95. To evade scale provisions skilled workers often are hired as helpers under the pretext no work in their branch is available. Within a short while they find themselves doing the work of skilled hands- at helpers' wages. Protests are seldom made, the workers' "representatives" are mere puppets of the employers, in the bureaus of the Labor Front the worker is sent from Pontius to Pilate and runs the risk of having his "Marxian" past thoroughly investigated. Should his protests receive support he is sure to get his walking papers from his employers at the earliest opportunity.

What goes on in the plants and factories ? True, there appears to be peace, enforced by that supreme and only Nazi achievement, the espionage and stool pigeon system, and unlimited terrorism. Reports we have received of open opposition through underground channels show either individual acts of pure desperation that expired without effect or prove false upon further investigation. These acts are not to be considered general, no matter how much they may be symptoms of general sentiment, although not of a general preparedness for working class action. The working class is not yet ready for concerted action. Fear is too great; nor should we labor under any illusions in regard to the illegal apparatus of the German Communist party which is so honeycombed with spies that the Russian Ochrana appears like a harmless affair by comparison. A vicious factor here are certain elements of the returned imigrants - proletarians formerly known as sincere fighters, who fled in 1933 and through their hopeless situation were reduced to slum proletarians, corrupted by conditions and frequently through blackmail are subservient to the secret police - who are welcomed with open arms by their former comrades only to betray them. Fear is further magnified by the enormous penitentiary sentences for even the smallest implication in illigal activity. Of course this terrorism is proof that the Nazi regime knows its insecurity and proves the lie in which it represents itself as being fully supported by the German masses. The press is forbidden to announce the time and place of the Fuehrer's and the important officials' appearances and when that knowledge is unavoidable, special precautions and protection are provided. But the clenched fist is still sunk deep in the pocket.

What now? We see that all sections of the population, excepting large capitalists and the parasites in government and incidental jobs united by the National Socialists into an unprecendented system of corruption , are dissatisfied. Despite this an immediate collapse cannot be predicted. Aside from the working class there exists the fear of "what after", the fear of the real

revolution. The concept often heard in 1933 : " The gentlemen will soon declare bankruptcy, then comes the military dictatorship," is out of date. For this concept has been realized in the dictatorship of large capital through the military. This dictatorship already extends over the Nazis, as is shown in the events of June 30, 1934, the subsequent retirement of Feder, Darre, and others as well as their satellites. The higher bureaucracy again is manned by the old heads.Although the front still shows Hitler, Goering and Goebbels as well as the swastika flag, the interior is manned by others, the transformation has already occured behind the scenes. The decisive powers, who allowed the Nazis to seize power in order to suppress the working class - sometimes themselves suppressed in the confusion - now are in complete control.

One activity was left to the Nazis, that of propaganda in fields outside of economie. The seizure of economic power was paid for in this small-change. The religious warfare is not approved by Schacht,Bosch,Krupp, etc., but it is tolerated because it may be a continous source of dissent and weakness within Nazi ranks. As to anti-Semitism it has eliminated a good deal of unwelcome competition. And, after all, the essence of Nazi ideology is the training to slave-like devotion in hierarchic order, a phase that is pleasing alike to the Catholic Church as well as to large capital.

This is the sociological basis from which the new labor movement must arise. All we have so far are mere beginnings,illegal circles.limited action outside of those belonging. That this activity is hampered by the great number of factions and tendencies is regretted by many.But this is the natural process of social conflict,especially when it is considered that the traditions of several generations were destroyed in the Spring of 1933. This naturally had paralyzing effect, produced confusion, a feeling that all social laws were inoperative. Hesitation marks the new beginnings,for the essential feature of the labor organizations had been the prevention of the very things that now must be done in order to assure proletarian victory - the independent thought and action of the masses. Hundreds of thousands whose leadership has been destroyed still manifest an anxious desire for "new leadership". But the Nazi power soon eliminates any new leadership.The new organization of the working class must be born in the blood and filth of monopolistic capitalist rule, as the process of a class striving for clarity and, to them, a new goal. But the conviction that the past must not repeat itself, that the party structure of the old, large party organizations is forever through, has already captured large numbers of workers.

What causes alarm among these revolutionary workers is that so little seems to have been learned outside of Germany as a result of their experiences. This applies particularly to the supporters of Russian policy whose aim is to chain the masses in their struggle against Hitler to the chariot of Russian state policy. They recall the time when Russian politicans and leaders of the Third International issued the slogan of an enslaved Germany; when Bucharim in 1923 declared Germany to be an exploited colonial country,which justified an alliance with Russia.From this developed the quaint program of national and social deliverance that created so much havoc among workers and not only threw the mass of non-party supporters but many good proletarians into Hitler's arms.

The German working class cannot be saved from without. True, the class struggle is international, but that merely signifies that the working class of every country must settle its scores with its class enemy. Every block policy and alliance outside results in the strangling of the development of the working class and the surrender to the ruling class.

The consciousness of solidarity with the working class of the world is an important factor for the revolutionary workers of Germany, but this solidarity should manifest itself only in their determined, uncompromising warfare against their own enemies. Economically speaking, the workers of other lands are not much better off than those of Germany. War is not the creator of all things, but it is certainly the midwife of revolution and the probability is great that only the next war will open the floodgates of revolution in Germany. But if the war comes as a crusade against Hitler it will lead to another "August 1914." The workers will be playing into the hands of their ruling classes. It is by no means certain that Germany will be the loser, for if war comes it will not be against an isolated Germany.

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*N A T I O N A L - B O L S H E V I S M *

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The chief task of the Bolshvist parties outside of Russia has been, since their beginning, the encouragement of universal good will to the "Soviet" union, the rallying of varied social elements in opposition to attempts at interference with the industrial development and modernization of Russia.

The revolutionary phrases of 1918 are still with them. The language of post-war Bolshevism was most flamboyant, most revolutionary during the "third period", which followed in wake of the defeat of the Russian State in its attempt to play off the "national liberation" of China against Russia's closest imperialist rivals. After 1933, however, the Bolshevist "Communist" parties have also stepped forward openly as international parties of peace, that is, peace for the sake of the U.S.S.R.

They, too, proposed to paralyze imperialism by means of peace congresses and by encouraging popular moves for disarmament. Under the influence of Russia's need of completing its national progressive revolution -- under the stimulus of Russia's historic need of solving its economic backwardness, the Leninist parties began to abandon the more "erratic" features of their practice flowing from their contradictory theoretic stand. Willy-nilly they are returning to the program of the Social-Democracy, from which the same Russian Revolution had torn them away.

Because the belief that capitalism has no objective limit, the belief that capitalism is "conceivable without expansion"--and its modern Russian corollary, the belief that socialism is possible in one country and that this socialism and capitalism can live peaceably side by side -- leads necessarily to a particular international attitude.

It leads to an attitude in accordance to which imperialism is not the period of the decisive struggle for (world) socialism, but the diabolic invention of a clique of greedy men. It leads to a program according to which the bourgeoisie may be persuaded that imperialism and militarism are bad from the capitalist viewpoint, and after the supposed instigators of imperialism have been isolated, a block constituted of the proletariat and wide bourgeois layers with the idea of paralyzing imperialism through ' partial disarmament', by rendering it inoffensive.

" Just as the decadent liberalism of the last century turned with appeals from the badly informed monarchy to the better informed monarchy, so the 'Marxist center' (before 1914) wanted to appeal from the badly enlightened bourgeoisie to the more enlightened bourgeoisie -- from the policy of imperialist catastrophes to that of international disarmament, from the struggle of the great powers for the world dictatorship of the canon to the pacific federation of national democratic States. The struggle between the proletariat and capital was to give way to a utopia of compromise between the proletariat and the bourgeoisie, which would 'soften' the antagonism among the imperialist powers. (From the Anticritique, second part of Accumulation of Capital.)

Luxemburg wrote this in 1915, immediately after the World War had shattered the hopes of the socialdemocratic peace lovers, who themselves had helped to create the illusion of war " to make the world safe for democracy", a "war to end war".

e/By today, the Bolshevists, heirs to the Social-Democracy, have succeded in fashioning a new illusion, which seves to prime the workers of the world for the next "great war". They say that the Soviet Union is the workers' Fatherland. They say it is the duty of the workers to defend this fatherland, to bear arms in its defence, especially since a probable opponent of Russia in the coming international war will be Hitler barbarism. They describe such participation of the workers in the next war as "revolutionary defence."

Yesterday, the Central Committee of the Communist Party of Germany resolved at the behest of the Moscow center:" There is no principle difference between bourgois democracy and fascism."They wrote: " The task of the Communists is in no way to seek with blue spectacles a pseudo-theory of the existence of some kind of difference between Democracy and Fascism"(Die Internationale, January 1932, p.31).Yesterday all workers who refused to recognize the " hegemony of the Bolshevist leadership"were branded as "social fascists". Yesterday "genius-leader" Stalin declared: " The Social-Democracy is the moderate wing of Fascism". Yesterday the only action against Fascism that was permitted by the Moscow center was through the "united front from below", that is, inside the Bolshevist Party. Yesterday all who begged Moscow to stop the nonsense, to permit a real united front against the Nazis, to bolster up opposition to Hitler by giving direct aid to such a united front, were called agents-provocateurs seeking the destruction of the "workers' fatherland". No doubt resistance to Fascism in 1932--even by a resolute minority--would have embroiled Germany in a civil war. And in 1932 the biggest slice of foreign credit received by the Soviet entrepreneurs came guaranteed from the German State. A Germany troubled by a civil war would not have.

been in the position to continue to give credit and Hitler did not fail to renew this business arrangement with the "workers' fatherland" when he attained State power.

Today Moscow is a lover of Democracy with a capital letter. Yea, even bourgeois democracy. Today Moscow sees so much of a difference between bourrgeois democracy and Fascism that it calls for the formation of "popular" and "national" united fronts, including bourgeois democratic groups and some that are not so democratic. Today Bolshevist politicians are advised to enter bourgeois coalition governments wherever such governments are opposed to Fascism.

But it is doubtful if by "Fascism" Moscow means, in this case, Mussolini's rule in Italy. It has made close economic pacts with Italy. General Nobile and a large staff of technico-military experts have been in the U.S.S.R. for the last two years. They are not in the "workers' fatherland " to eat bortsch and Russian pumpernickel. They are in the land of Bolshevist socialism to develop the "socialist" sinews of war. Is not the partnership of fascist Italy in the Franço-Soviet war block possible? In view of Nazi Germany's designs on Austria , in view of Mussolini's fear of the threat of a huge Germany on the northern borders of Italy, such a partnership is probable.

It is, moreover, vain to deny the possibility (by the time the war breaks out) of a <u>patriotic</u> united front of the French "friends of the Soviet Union" and the French fascists. Steps in that direction have already been taken by the Russian "foreign legion" in France. The French Bolshevists have proposed, even to the indignation of the social-democratic <u>Populaire</u>, a "united national front of the Socialist, Communist and fascist youth." A formal invitation to join in was made to the <u>Jeunesse Patriote</u> and <u>Solidarite Francaise</u>, the two organizations embracing most young elements of French Fascism. "After all", argues the Moscow center," the French Fascists are not pro-German. They are anti-German. The coming war will be a war of us and our allies against Germany and its allies."

By Fascism, Moscow means all those powers that are likely to be found in the block of States opposing the probable Franco-Italo-Soviet block in the next world war. The coming war, like the past world war, will be a contest between blocks of powers over economic advantages in the world. In this contest the Soviet Union will be a partner in a combime made up of avowed imperialist States. We are told that it is still the duty of the workers of the world, and especially the workers in the imperialist countries allied with the U.S.S.R., to bear arms in the defence of the "socialist fatherland". But the defence of the Soviet fatherland now coincides with the defence of several imperialist fatherlands. Revolutionary defence now equals national defence. Like the Social-Democracy in 1914, the Bolshevist "Communist" parties have taken the next logical step, as indicated by Rosa Luxemburg. Yesterday they organized peace congresses. Today they are parties of national defence.

The ruling class cannot carry on its wars without priming the masses for enthusiastic participation in the slaughter. To prepare the masses for efficient service in a war, the politicians must get the masses to confuse their interests with the interests of

the "nation", with which are already identified the interests of the dominant class. Capitalism finds the slogans that do the job of confusion.It will always succeed in getting the masses to fight its war as long as the latter do not understand their historic position, as long as they do not see the difference between their interests and the interests of the master class, as long as they do not free their hearts and minds from the charm of the national illusion whereby the trick of confusion is worked.

Just like "make the world safe for democracy" and "defend German civilisation against Russian barbarism" in 1914 -- so "save the world from fascism" and "defend the Soviet fatherland" in the impending war. The Bolshevist "Communist" parties,appendages of the Russian State, are helping to put over the old swindle. They are doing their bit in influencing the workers of the West to identify their interests with the interests of the ruling class of their countries. They are squelching revolutionary opposition to the coming war.

It seems hard to repudiate the U.S.S.R. Like its progressive revolution of 1917-1919, the progressive war that Russia will fight in the near future is already mobilizing to its support the sympathies of many workers and liberal intellectuals of the world. What was done then in the name of the "world revolution", is now attempted in the name of a "socialist fatherland". But the worker who has learned what are his class interests knows he has no fatherland.He owes no allegiance to any existing national state. The same fatherland that has at present an open military pact with the Banque de France was a few years ago quite ready to come to an agreement with Hitler's Germany. The State that the worker can rightly call his own will have one task to fulfill -- to abolish wage slavery on the surface of the globe and thus do away with the very institution of the State. By this token shall you know the Dictatorship of the Proletariat.

---------- H.G.

THE BRUSSELS CONFERENCE

Toward the middle of June , 1935, there was held in Brussels a conference of the international council-communist groups, at which ,among others, our German,Dutch and Danish groups were represented.

The conference served to show, after thorough discussion,that the various groups possess a unitary conception regarding the international tendencies of capitalist development, which economically are heading for state capitalism and politically for fascism. A unitary conception likewise prevailed in regard to the situation of the labor movement in the various countries and to the resulting tasks and tactical necessities.

The following general basic conception was evolved:
The attempt of the various national bourgeoisies to remedy the economic crisis by means of the old private-capitalist methods

has essentially failed and has led to a further sharpening of the general world crisis. In this connection, local structural alterations are to be noted. The impossibility of overcoming the crisis on the basis of private economy leads, on an international scale, to an accentuation of the tendencies toward relieving the private-economy anarchy through state-capitalist "planned econmy". With this development the sozialization process of capitalism advances toward its highest state of perfection and the epoch of the bourgeoisie attains ist historical close. The state-capitalist economic system reveals itself essentially as a coordination of the different class interests to a unitary economic order, whereby private-capitalist initiative is abolished in favor of state-capitalist.This development does not unconditionally presuppose the abolition of private property in means of production, as happened in Russia, but certainly comes to light in the direction and "planning" of economy through the State. Corresponding to these structural altetations of economy, there changes also the social super-structure. Thus fascism expresses itself in a nationalization of minds, elimination of the right of the masses to participate in the forming of decisions and replacement of that right by the authoritarian principle of leadership, militarizing of the entire nation, together with dictatorship of a party over the masses, in which connection the dictatorship may be bolshevist, socialist, democratic, bourgeois, nationalistic. This general development leads to the overcoming of the earlier class stratification of bourgeois society--big bourgeoisie, middle strata and proletariat--and to the emergence of two starkly opposed social groupings: the class of owners of the means of production with its trinitarian apparatus of party, economy and State, and the great majority of the population as exploited, impoverished masses of producers.

The elaboration of state-capitalist "planned economy" likewise clearly demonstrates the identity of this historical close of the bourgeois epoch with the socialist final goal of the old labor movement. And precisely in virtue of this necessary development the working masses are bound to realize more and more clearly that the new economy must take a form which is fundamentally of a different nature from that of the Socialists and Bolshevists with their projects of a socialist planned economy resting, just like the capitalist variety, on wage labor. So long as wage labor exists, capitalist economy prevails.

The state - capitalist development, in the eleaboration of "planned economy" logically bridges over the national antagonisms and demands the formation of mammoth economies transcending national bounderies. The capitalist competitive struggle is thus shifted more and more onto the field of whole continents against each other. The overcoming of the national antagonisms within the continental framework is therefore only a question of time, the duration which is conditioned by the necessity of bringing about a cooperation within the framework of the mammoth economy. The "mammoth planned economy" is thus an overcoming of the old capitalist mechanism of crisis based on the competitive struggle for the available markets, the opening of new markets and the tapping of new sources of profit. The explosion -like, undulatory crisis convulsions tend more and more to disappear. Their place is taken by the latent, constantly sharpening crisis, which leads to a slow but unremitting impoverishment of the masses. The development of

the class struggle will thus hereafter be less determined through transitory, constantly changing crisis convulsions than through the sharpening of the class antagonisms between the exploited and impoverished masses, on the one hand, and on the other the parasitical bureaucracy in charge of the politico-economic state apparatus.

The overcoming of the class antagonisms through the proletarian revolution is possible only as the self-emancipation of the masses. In each phase of their struggles, the masses must have the initiative and direction in their own hands: this is the only assurance against every form of tutelage and leadership over the mases. This self-emancipation is at the same time one of the essential presuppositions in the reshaping of the economic relations.Through the circumstance that the masses liberate themselves ,they also aquire the schooling for the direction of the economic process, and the discovery of methods for the direct right of disposal of the producers over the means of production and over the products is possible only by way of the councils and shop organizations. It is only through doing away with each and every kind of wage labor that the complete overcoming of all capitalist modes of economy is assured. So that we now have as the immediate tasks of the workers' movement, to the end of their self-emancipation from capitalist exploitation and suppression, the abolition of wage labor and its replacement by labor-time accounting and the exercise of direct producers' control over the products and means of production, as the basis of the new economic order.

The new labor movement must not only recognize, but above all practically apply, the lessons of the Paris Commune and of the Russion Revolution of 1905 and 1917 as well as the experiences of the development down to the present time. This is necessary because the smashing of the state apparatus and the combining of the power of decision and execution in the hands of the masses, organized in councils under their constant control, is possible only through practical application of the council principle in all developing struggles of the working masses. It is therefore the task of the council-communist groups in all countries not yet gone fascist to promote the autonomous direction of these struggles, as well as to strive for the extension of all struggles beyond their local and occupational limits into mass struggles and to intervene in such struggles actively on their own part. By the side of this, propaganda directed to making the masses conscious concerning the real tasks of the workers' struggle in relation to the reshaping of economy and the replacement of wage labor by labor-time accounting should be conducted in the most intensive manner possible and in a generally understandable form adapted to the workers' ideology.

By putting to use the experiences of the illegal movement in the fascist countries, the council-communist groups must prepare themselves even now for the state of illegality and adopt all corresponding measures: The organizational safeguarding of the labor movement through elaboration of the group system. Elimination of all old working methods and rejection of unserviceable und unreliable connections (the local conditions and the changing composition of the groups make desirable the application of new working methods varying from case to case). Elaboration of forms and methods for winning masses now standing aloof or in the enemy camp. Avoidance of slogan propaganda. Adaptation of ideas to the altered conditions, etc.

*** THE COMPETITORS OF FASCISM ***

One would think it would soon be superfluous to come out in opposition to the old labor movement . The two Internationals and the organizations connected with and related to them not only unmask themselves long before midnight; they also change their masks so often that really the most stupid should have a chance to discover their real features. But masquerade and deception can still be borne more easily than truth, as also the recognition of reality is no assurance that it has been mastered. Like religion, so also the hope in the old labor movement permits the illusion of later amendment of the present misery and hence the justification of one's own inactivity and the overlooking of one's own weakness. The deceivers are not by any means clever; they live merely on what, from the standpoint of the revolution, is the unripeness of the crisis; they feed on the dead time between the revolutionary eruptions, like hyenas on corpses. Because of their fear of being misunderstood, misjudged and perhaps also mistreated by the ruling class, they offer a new demonstration each day of their true prostituted nature. They think to save their own skins by binding themselves to do the work which today really belongs to the fascists. In whichever direction we look, (and only occasionally with the forced exception of the countries already gone fascist), we see the endeavors of the old labor organizations to prolong their bankrupt existence not by combatting fascism, to be sure, but by making it superflous. They promise their capitalists not to lay hands upon the present system of exploitation, but to defend it with claws and teeth and to conform with all its needs, even to conducting war. In order to hold up the march of fascism they have selected the easiest means: they offer to do the fascist work in their own special manner.

Nevertheless, world history, in so far as it depends at all on groups and individuals, does not depend on the lackeys but on their masters, so that no doubt even this new example of "Real-politik" on the part of the organizations still falsely denominated as a "labor movement" will not avail to assure their existence. The at present peculiar constellation of the capitalist powers, which are making ready for a new war, can by no means be regarded as fixed; all sorts of surprising shift's are still possible, and on these will depend, among other things, the further development of faschism. Reversals of german, russian and french policy are capable of putting an end also to the present pseudo-struggle for the safeguarding of democracy against fascism, in which connection all that the Russians would have to do would be to identify fascism with socialism and make this latter not to depend any more on the presence of democracy. Meanwhile it is perhaps still possible for a time to point out "successes" to the "freedom-loving anti-fascists" and to continue laying rotten laurels in the more modest but still ample lap. The russian-french alliance has somewhat hindered the development of french fascism, but this hindrance will only be the secret of the accelerated progress to come later. For the purpose of holding and clubbing down the workers, it is not very likely that the bourgeoisie will bring into service the used-up lackeys out of the labor movement, but rather the new, fresh, job-hungry, petty-bourgeois rabble which, now that capitalism is on the decline, can no longer found the families which, notwithstanding monogamous

culture, are complete with the servant-maid system. The wind has not been taken out of the sails of the fascists, but the old labor movement itself is the wind by which fascism is being propelled.

To speak the language of the Social Democracy: " If one wants to avoid being an anvil, he must become a hammer." And so the old labor movement is making ready to do away with fascism by taking it up into itself. This is not easy, to be sure, and it takes an enormous lot of impudence to run after executioner's jobs where a part of their own comrades Was just recently slaughtered like cattle by the competitors. It is difficult, because a bad conscience takes away that peace and satisfaction which the "born" fascists possess "by nature" when they beat the life out of workers and other swine. Criticism on the part of labor, however, is not feared; not even on the part of their own subjects in the organizations. There has been plenty of opportunity in the last fifthy years to " educate" and "enlighten" the workers, so that today they are actually capable, if the beloved leader so desires, of taking black for white or -- what amounts to the same thing -- of seeing in Vandervelde or Stalin the "adored friends" and leaders of labor. The labor organizations have stupefied their hangers-on ideologically in quite the same way as Capitalism has idiotized the whole of humanity, in far greater measure than any other form of society and precisely by way of civilization and the increase of education. A beast can live, self-respecting people go under. When people today really think, they are quite on the way to insanity. When they fight like wild animals for their own interests, they act correctly and intelligently. That such a condition is not desirable does not do away with it; it merely compels to the revolutionary solution of this inverted state of affairs, in order that one may finally make the leap from the animal kingdom into the realm of freedom.

We are yielding to no illusion whatever; we place no hopes in the awakening of the insight of the masses; we have no confidence that one day the "scales will fall from their eyes" and that they will recognize intellectually their true problems and needs. The hangers-on of the old labor organizations who have not yet come out against them will probably never do so as a result of their own perspicacity, but at most as a result of their hunger, which will no longer be able to stand the sight of their well-fed leaders. But as yet that point has not been reached; they can still be led farther along the path of their own demoralization. What the cretins of the old labor movement and their school of corruption still lacked they have meanwhile learned from the fascists. If the occasion arose, there is no doubt that the owners of the labor organizations could once more do their part in making out of the poorest also the truest sons of the respective fatherlands.

As a matter of fact, the whole policy of both internationals is directed to giving the organizations a proper place in the "people's front", to conforming with the people's interests, that is, with the interests of monopoly capital which are passed off as such, because they must and because it pays. While their previous policy was adjusted to " taking advantage of the rents" in the bourgeois camp -- much as the A.F. of L. comes out at one time for the Republican and at another for the Democratic Party, according as one or the other has the most to promise it -- this see-saw policy is no longer possible now that the exercise of power has necessarily been monopolized. Since there is only one any more

who pays, so also only one song any more can be sung. It runs: Enthusiastically and without reserve, join in the "peoples front". Gone are the lovely times of good-natured horse-trading, gone the lovely days of "reforms"; they task of all organizations bound up with capitalism has been contracted to the safeguarding of Capital - which is completely identical with the State - against all enemies within and without.

From the "Dictatorship" to the "People's Government"

The Second International and its various national affiliates have actually, however strange it may sound, learned a number of things from the proceedings of the last few years. As a part of capitalism and bound up with its fortunes, they have done everything to show their gratitude to this world. They had already arranged themselves in the best possible manner, won for themselves a number of governments posts, even tho the struggle in this connection was only a matter of talk. They have built themselves houses, shoved wonderful broad seats under their buttocks and filled police jobs, tho in this latter case the uniform collars sorely rubbed the fat necks. They have even administered the colonies with gas bombs and airplanes; they have laid up money without, like true idealists, asking from whence it came; and they have also, even tho (as they write in their memoirs) only with heavy heart and out of their great sense of responsibility, shot down and bayonetted the revolutionary workers, wherever necessary -- naturally in the interests of growing socialism. And yet they have come down in the social scale. After these genuine services, capital has found them unserviceable for its further ends and shown them the door. Just as the bourgeoisie by way of diplomacy sets one power against another, plays group off against group, just as in this system generally it is a struggle of all against all, so Capital has also promoted the competition among those who specialize in slaughtering workers and always held with the victors whose aim it furthered. The fascist victors had more to offer, they fitted in far better with the "spirit of the times". They were not burdened with a past; with respect to the bourgeoisie they were not ambiguous, and they are reliable.

The dismanteling of the labor organizations, which accompanies the dismantling of democracy and which in its turn is only the political reflection of the monopolistic development, was been rather a shock to the labor-movement enterprises. That would lead to a radicalization of the socialist parties: such was the guess of those people who never become one thing or the other, who refuse to say anything bad about anyone or any organization, since of course, as a socialist if nothing else, one was bound to believe in the goodness of man. These slimy natures, whose brains are no less flabby than their bellies, are still not disappointed, in spite of the fact that what occured was the exact opposite of what they expected. After indulging for a time in a more radical phraseology and after the exhibitions of tipsy leaders of the Social Democracy, wounded by mistake, with all which it was sought to master the disturbance brought into the rest of the organization by reason of a few thousand worker's corpses, the leaders soon came out again with the "language of reason" in order to establish themselves

anew upon the ruins. The Social Democracy went not to the left, but to the right. In all countries it throttled the spineless "opposition" and took up its struggle against fascism on the basis of capitalism; that is, it began a sharpened competitive struggle for the right to deceive workers. The Social Democracy reasoned --and from its own standpoint, with razor-edged logic-- that it had lost out in the competition not because it had not been radical enough, but because it had been too radical. They had not offered the ruling class enough guarantees and so also had not found sufficient support among the "broad masses". But one doesn't want to be historically surpassed: even tho democracy may perish, still that is not the end of every bureaucracy. While to the half-bolshevist Romain Rolland, people die in order that God may live, so to the Social Democracy political systems change only in order that the bureaucracy may be eternalized. The Social Democracy is quite prepared to furnish the bureaucracy for a fascist state system. And of course it has no need, to that end, of any special transformation: its own state-capitalist conception is in principle not at all different from monopolistic fascism, but is at most still more consistent. And so it merely competes with other aspirants for the parasitical functions in the capitalist system of exploitation.

Whether it will be given once more to the Social Democracy to carry on functions contributing directly to the maintenance of the State does not depend on the Social Democracy but on a number of circumstances of a national and international character which are not yet sufficiently transparent to permit of accurate conclusions. One thing, however, is clear: if the fascists should prove incapable of holding the masses in check, this role might under certain circumstances once more fall to the Social Democracy, and the role would certainly not be refused. Meanwhile, however, there remains to the Social Democracy, by the side and on the basis of this hope, nothing except to go farther and farther to the right, to take on more and more of the fascist coloring.

If we take such a "traditionally democratic and peace-loving" country as Switzerland and see that even there the Social Democracy can carry on only in competition with the fascists, then certainly nothing else can be expected from the other countries; in these the tendency visible in Switzerland can only occur in sharpened form, and does so occur. It is only in countries like the United States, where the Social Democracy still plays no real role, that it can still afford the luxury of keeping silent about its real ideas and concealing its reactionary policy behind the old phrases. The struggle in the american Socialist Party, which began with the victory of the reactionaries and consequently ended in the same way, speaks loudly enough as to what is the proper course within the socialist world movement. And besides it was quickly realized by the "opposition", which drew back in due time in order not to sink down into revolutionary poverty. The whole dispute was practically only the warding off of a temporary dissatisfaction within the party after the european scandal, tho bound up also with the ambitions of political adventures who were impatient to get on in the world. All that could come of it, however, was that the "Old Guard" was served with that general confusion in which thieves can take refuge, in which the spirit of opposition grows tired and wears itself out, and the positions of the reactionaries are con-

solidated anew. Anyone who has once viewed these "oppositionists" sheep at close range could only be amused at the eagerness with which all the competitors of the Socialist Party took pains to get "in touch" with them.

But to come back to Switzerland.There also, as everywhere, the fascist movement keeps on growing, and the danger draws nearer that the various social-democratic national councillors and a whole army of employees will be deprived of their daily bread.And so they have taken fright at their own program and have provided themselves with a new one in order not to attract unpleasent attention. The previous program, which dates from 1920, contains, in contradistinction to the german Noske-socialism and in harmony with the "better" austrian Marxism, the after all here quite innocent flourish of the dictatorship of the proletariat as a necessary transitional stage to socialism. The new program of 1935 has dropped this phrase about the dictatorship and replaced it with the one about the "people's state.". To the swiss Social Democracy it is no longer a question of socialism, but of the "defense of present democracy". And so the present program contains a full ream of senseless phrases concerned with the winning of the middle strata, the peasants, etc. The demand for dictatorship, it was explained at the party conference to the accompaniment of great applause, is still applicable at most only to countries already fascist; for democratic countries like Switzerland, this demand would be a crime. The realistic watchword today is the people's partnership (Volksgemeinschaft),--not the fascist one, to be sure, but the social-democratic one. The debates at the party congress became very lively when the question of national defense was taken up. The party recognized quite as a matter of course, "the necessity of an armed frontier guard, which finds its embodiment in the militia". However, the militia shall be " subject to the will of an anti-capitalist people's partnership". The question of how this is accomplished--how under capitalism one can have an anti-capitalist people's Partnership--will no doubt forever remain a secret of the Social Democracy, which of course has always felt an attraction for things which looked very much like a cross between a rocking horse and a oil sardine. National Councillor Nobs declared at the party congress: " Anti-militarism in democratic countries may lead to a world victory of fascism ." So that to the Social Democracy anyone who today is opposed to militarism is an abettor of fascism, and consequently according to this logic it must be assumed that in the democratic countries socialism can be actualized only through the bayonets of the capitalist army. By the side of these things, the pary naturally came out for a planned economy and selected as a model, from the great store of ideas on this subject, the belgium "Plan of Labor", whose author, Henryk de Man, a specialist in mass psychology, is a sufficient guarantee that we have to do here with nothing more than the planful idiotizing of the masses. It was hoped that this plan would have quite special effects upon the middle strata. Etc., etc. ,etc.

The Belgian Success

That the Social Democracy failed , as so many people assert, to learn from the proceedings in Germany and Austria the "right thing" is not qwing to any unwillingness to learn but to the circumstance that the "right thing" is beyond its power to learn.

When the Social Democracy wants to change at all, it can, from its very nature, only copy fascism. Its course in Switzerland is in fact an exellent indication of its "progress".

The socialist labor party of Belgium offers a further example of this necessity. The "De Man Plan" which it adopted and from which it expected so much new life is only slightly distinguished from the "planned-economy" nonsense of the fascists. All that it finally amounts to is a demand for government control over the banks and key industries and their partial socialization; combatting the monopolies; assistance for the smaller enterprises; rescue of the middle class and peasants; social legislation for the workers; and the other well-known dissonances of the modern song of planned economy which, very unctiously intoned, seeks once more to become popular. The circumstance that the belgian bourgeoisie failed at first to find it agreeable does not affect in the least its insipidity and senselessness. The belgian government thinks to transplant its Congo policy into the motherland, but the white belgian negroes were not yet sufficiently demoralized to bow forthwith to the whip of emergency decrees. A series of strikes, which threatened to turn into a general strike, compelled the belgian bourgeoisie to accept a temporary compromise to the effect that the "Plan of Labor" would be seriously taken under advisement. Its author was for the present given a government post, and thereupon the Social Democracy, without going so far as to wage war, concluded an armistice with the bourgeoisie. This armistice is in reality nothing more than a close season for the legal labor movement, which is allowed to grow still a bit fatter before the drive upon it gets under way. During this close season the Social Democracy renders its bourgeoisie the final service: the energies which had been revealed in the proletariat are being counteracted through the talk of planned economy. The awakened forces are allowed to blow out in illusions, until the workers are sufficiently demoralized to accept fascism willingly. But " Socialism " is still on the march in Belgium as it once was in Germany. And it will probably leave quite as many workers' corpses along its way and end up in the fascist dictatorship just as did the german socialism. It is probable also, however, that the social-democratic leaders will in the meanwhile develop into hundred-percent fascists.

The Triumph of the United Front

The success of the belgian socialists still looks paltry in comparison with the triumpf of the french "communists". Upon the conclusion of the russo-french alliance , the policy of the Communist Party of France (C.P.F.) suffered a sharp turn. All the previous watchwords were exchanged for those of the people's front and national defense . This transformation was soon extended to all sections of the Third International, with the exception of those countries which might under certain circumstances operate contrary to the franco-russian block. At the same time there came about the dissolution of the communist trade-union leagues and their conversion, wherever possible, into the reactionary trade-unions. Parallel to this development is the flirtation with the Social Democracy, which receives an offer of organic unity. Quite open efforts are made toward the liquidation of the communist parties and of their international. The Social Democracy still

maintains a waiting attitude: the attempt at suicide on the part of the Third International is for the present still looked upon in the spirit of a competitor and not of a partner. The Social Democracy in the various countries is still too closely linked up with its own national bourgeoisie, while the "communists" are still exclusively attached to the new russian bourgeoisie. In those countries, however, where the interests of its own run parallel with those of the new russian bourgeoisie, as in Czechoslovakia and France, the Social Democracy is much more inclined to the organic unity. The reason advanced by the Social Democracy for its restraint in regard to the unity efforts of the Third International are amusing: this latter had become too reactionary for the socialists. The communists "struggle" in union with all strata of the population -- with the Catholics for religious liberty, with the german steel helmeters for the right to have other reactionary organizations by the side of the fascist ones, with the "Black Front" of the Strasser group for the genuine as against the opportunistic Hitler fascism -- these demands of the "communists" go a bit too far even for the Social Democrats. In connection with the negotiations for the united front in France, the C.P.F. came out against the demand of the Socialists looking to the partial socialization of individual capitalist monopolies, on the ground that such" demands went too far and would hinder the forming of the people's front." Nevertheless, the united front came out, and not only with the Social Democrats but also with the petty-bourgeoisie, on the basis of demands and watchwords which resembled those of the fascists almost to a hair. When it comes to deceiving the workers, the Social Democracy is surely open to conviction. Still it remains a joke when Norman Thomas can say of the present program of the communist party:" Certainly we Socialists can not be stampeded by temporary communist opportunism into a similar position." But only have patience: soon Norman Thomas too, just like his swiss colleagues, will know how to prize this opportunism as the last word in socialist realistic policy.

The french people's front was formed around the slogan: Defense of Bread, particularly the bread of the middle classes. the retardation of the crisis in France retarded also the growth of fascism. But even now the fascist forces within the ranks of the allies of the C.P.F. are quite as strong as those which for the present are willing to go along with the communists. The petty-borgeois groups which can derive no profit from the present united front will very shortly, in their inevitable disappointment, proceed from half to full fascism and drag a part of the workers with them. As in Germany, so also in France the Communist Party is preparing the masses for the coming fascism. Regardless of his intentions, anyone who, instead of pursuing a revolutionary policy, merely competes with the fascists for the state jobs can only, under the present conditions, help fascism into the saddle. What the united front of the C.P.F. sows today, the fascists will reap tomorrow.

"We are firmly decided," writes the french communist press, "to take up the struggle against impoverishment, without, however, repelling anyone from the people's front -- without raising demands which could only bring about divisions, at which the fascists would rejoice, as for instance a demand upon the (petty-bourgeois) Radical Party to take over the slogans and the program

of the communists, as certain defenders of the ' pure doctrine' would like to do." Since the petty bourgeoisie refuse to accept the platform of the C.P., the C.P. accepts the platform of the petty Bourgeoisie. Here are the party's demands: Taxes on large fortunes; state ownership of the Bank of France; control over the book-keeping of the banks. Or as the C.P. sums it up in the vernacular: "The rich shall pay." Why not go farther? What sort of effect would result from the phrase," The rich are politely requested to hang themselves"? In the light of this program, one can really dub Roosevelt an ultra-radical.

A people's front embraces the whole people. If the rich are to pay, they must first be made financially sound. This also has been looked after by the C.P., through the aid which it has assured to french imperialism. L' Humanité, the daily newspaper of the C.P.F., wrote on the occasion of the signature of the russo-french pact: " What could be more natural than the fact that our comrade Stalin, upon the request of Laval, should have declared his approval of France's military measures." To be sure; what could really be more natural?

The Last Congress of the Communist International

After the nationalistic adventures of the french communists, the 7 th congress of the Communist International could no longer present any surprises. Altho the french policy is only a repetition of the policy of the C.I. under Lenin and Trotsky in Germany around the year 1923, or of its policy in Turkey and China, still this fact appears to have vanished from the memories of all the bureaucrats who have been neglected by Stalin. They have accordingly been greatly aroused over the consistent carrying out of Leninism by way of Stalin, as this was manifested at the 7 th congress. As ridiculous, however, as the genuine Leninist policy must be today, equally pitiful are its present-day exponents. The perfect valet Piek and the cheap actor Dimitrov set the tone. The stupidity was naturally a unanimous stupidity, the counter-revolutionary unmasking was resolved as one man. A betrayal of revolutionary principles is here out of the question, for one can not betray what he has never represented. The present world situation compels the Third International to speak just a bit more openly than the "conspiratorial" souls would otherwisw wish to do. The Third International has gone the way of all professional revolutionary flesh with admirable precision to its end. For us, there is no occasion for any polemic; we have only the satisfaction of the recording. Let us listen to Wilhelm Piek: " We communists fight to the death (á la Germany ?)against Fascism and every manifestation of reaction (except the russian, czech and french varieties, be it understood). To us it is not a matter of indifference which political system prevails in this or that capitalist country. Since parliamentarism and the remains of democratic liberties, in spite of the heavy yoke of the capitalist system, offer some slight possibilities for the open fighting organizations of the proletariat, we are ready to defend the remnants of parliamentarism and democracy against Fascism and in further course to conduct the struggle for the proletarian dictatorship. We communists furnish protection to all peoples against capitalist slavery and fascist suppression.(what magnanimity !) We have been and constantly are

for the right of self-determination of every people, however small. If German fascism attacks the national independence and unity of small independent states in Europe, a war waged by the national bourgeoisie of these states will be a just war, in which proletarians and communists cannot avoid taking part." And a little later he foams on: " the era of the dominance of reformism in the labor movement comes to an end, there begins the era of the Communist International. It is a struggle for the happiness and freedom of the working masses." Now we have it: the era of reformism is followed by the struggle for happiness. What magnificent progress !

Of course there was also to be had cheap some genuine "bolshevist self-criticism", in spite of the ever correct line. " We neglected the opportunity," Piek explained, " to give out at the proper time fighting slogans against the price policy of monopoly capital by which the peasants were ruined, as well as against ' interest slavery' " (one of the most fetching fascist slogans). " In many countries the petty bourgeoisie did not find in the communist parties sufficient understanding for effective support in its resistance to the trusts and the banks by which it was being bled white. The german communists did not consider in due time the significances of the yoke of Versailles, and enabled the bourgeoisie to turn to its own account the hatred of the masses for that yoke." In a word, Piek complained that the communists had been such poor fascists, that they conducted such wretched competition.

While on the one hand, however, the C.I. regrets that it has not proceeded sharply enough against Versailles, on the other hand, by its support of France, it wants to maintain the Versaille policy. While it fights against german fascism, at the same time it assists german fascism in its armament policy. The russian government recently concluded with Hitler Germany contracts by which the german air fleet is supplied with the necessary fuel for the next three years. Business is business. The simultaneous support of the french and of the german army is not by any means a contradiction. The maintenance of world capitalism is the enduring task, the alliance policy is highly changeable.

As Moscow sets the tune, so the various sections of the International dance. The american Communist Party today comes out for such things as the "Worker's and Farmer's Labor Party", which is to be based upon the half-fascist A.F.of L. and which incidentally is to take up into itself the whole liberal virus. And all for a number of laws to be wrung from Congress, for an amendment to the Constitution designed to hamstring reaction, and other such nice things at which before this time it could only laugh compassionately. It represents the impossible and the nonsensical, for it doesn't care to represent anything at all, but only to assure in some manner or other the daily bread for its functionaries.

All that ought to put a lot of life into the "oppositionists" of the C.P. But their moribund state is still hanging on. To all the degeneracy of the Communist International they have nothing to oppose except the calling up of the past. "Back to Lenin", or "back to Trotsky", for " a new Zimmerwald", for "better leaders": that is the beginning and the end of their cry, which loses itself in its own wind. The Lovestoneites who for years have combatted the

today
"ultra-left" course of the C.P. shout/against its ultra-right course because the Stalinists are still not resigned to setting them up again with salaries. Trotsky founds for the second time the Fourth International with members whom he has fortunately just brought to shelter in the Second International. The bureaucrats quarrel over the ever fewer paid posts and disguise their quarrel behind an alleged struggle for this or that correct Leninist line. These ridiculous half-and-half organizations, small parasites of the greater spongers, are not the heirs of the Third International,nor its carrion crows. They are going under with it, as they were only capable of living off it. But for them also the revolutionary workers have no tears to shed. To speak for once with the original superman against all the present-day supermen of the C.P. and its offal, the workers can only - and not without satisfaction -- say: " What falls shall furthermore be kicked."

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" REVOLUTIONARY PARLIAMENTARISM "

Propaganda against parliamentarism among the working class was for a long while extremely difficult. The assumption that the worker too, or his confidant, must take part in the work of law-making, in order that the laws to be passed may have regard for the interests of the class, has grown into a nice, comfortable habit. And it is quite as well known as regrettable that no one more than the worker hangs on to old habits, conservatively and without insight--in fact, he clings to them even long after the bourgeoisie has thrown them back into the lumber-room. This holds of all phenomena of society, whether in the field of general culture, of custom and morality or of politics. The special field of politics -- parliamentarism -- naturally forms no exception; for here there asserts itself not only the lack of independent movement on the part of the working class, but a quite imposing array of forces by which, when the social milieu gives rise to such a movement, it is held up. Parliamentarism -- that is, the doctrine that the economic laws of a society are controlled by oratorieal battles -- is of course not only a doctrine, a philosophy, but an eminently practical matter; practical, that is, for those who conduct these oratorical battles - the members of Parliament, Congress, or whatever the law-making institution may be called in the different countries. For them, the Parliament is exactly the same thing that Heaven and God are for a parson. As soon as people refuse to believe in the existence of Heaven and God, the parson's existence also collapses. Heaven and God are thus questions involving the livelihood of a certain group of people; and just as everyone is interested in the maintenance of his existence, so also are the uniformed God-champions. Apply this example to parliamentarism, and we have the whole truth.

The circumstance, however, that something is "true" is by no means any assurance that this something will forthwith come into its own, without further ado. In the first place, this is prevented

by the fact that on the side of the deceived and misled the general possibility of perception and hence the courage that goes with it is too slight, while on the other side science, whose task it should be to serve as a medium of perceptions, stands wholly in the service of class rule. The more the possibility of perception developed in our civilization and the story of heaven and God could be recognized as a fairy tale, the greater was the amount of "science" put forth in order to bring into question the fruits of this recognition.

The history of parliamentarism is, to be sure, younger and briefer than that of thelogy, but resembles it in all its features. And of course, in the last analysis, both - parliamentarism and theology - are children of the same mother; that is, children of the belief that someone or other -- excepting ourselves -- will free us from our present ills. Not at once, naturally, but, according to theology, when we are dead; while parliamentarism offers us the prospect of some day-after-tomorrow here on earth. For all this we have nothing to do but vote for those who take the trouble to hold continually before our eyes the beauties of a posthumous paradise or of an earthly day-after-tomorrow, and to support them in a manner befitting their station --naturally, in so far as possible, with paying in advance.

Just as the clergy in the age of enlightenment had to resort to much more refined means for keeping their little sheep in the fold, so also in times of extreme economic distress and the impossibility of a compromise between the ruling and the suppressed class the champions of parliamentarism had to rack their brains for extremely subtle proofs, which they set down in theses. The establishment and propagation of these proofs fell to the historical lot of the Communist International, in its various sections.

The world stands in an epoch of advanced revolutions, a process from which the communist parties were born. Their mission is therewith given: they must embrace the revolution. Since, however, embracing the revolution and acting in accordance therewith does not guarantee a full bourgeois existence, the functionaries of the sections must look for an occupation which they can find time to carry on in addition to their party work and the exercise of which does not conflict with their revolutionary profession of faith. They become -- in addition to paltry editors and party secretaries -- parliamentarians. Now even tho it may be true that the professional parliamentarians have enough time left over for performing their party work, still it is not such an easy matter to avoid conflicts arising from their revolutionary profession of faith and their parliamentary duties. In this extremity, none other than "science" had to spring to the rescue. It first of all gave birth to the most ridiculous word-monstrosity in the political thesaurus : " <u>revolutionary</u> parliamentarism".

No great amount of philological knowledge is needed in order to understand what an unmerited protective covering was acquired by parliamentarism and what a calumny was perpetrated on the concept "revolution" by this combining into a single phrase of two concepts which in their essence are nothing short of mortal enemies. Naturally, the reason for the invention and exploitation of this word-monstrosity was not that the beneficiaries of the communist party movement

would not have been content with plain parliamentarism or had actually assured themselves that the "revolutionary parliamentarism" would really lend force to the proletarian class movement. Rather, the invention was necessary for the reason that the counter-revolutionary character of parlamentarism, so far as concerned the class-conscious part of the working class, was regarded as an established fact, and therefore logically the parliamentarians were looked upon as counter-revolutionists. Now since one could not very well be a revolutionist and a counter-revolutionist at the same time, -- and because especially one did not want to be such, -- parliamentarism, the counter-revolutionary institution, was given the predicate "revolutionary". In other words, an attempt was made to juggle away the essence of a device wth a well chosen qualifying word. And it can not be disputed: the attempt was successful.

How could such an attempt succeed? To give a complete answer to this question would be to unroll the whole problem of the labor movement from A to Z, in order to observe in all its parts the influence which hasbeen exercised by the paid functionaries upon the organized and unorganized mass, and which has culminated unmistakably in the maintenance and consolidation of the bourgeois ideology. "Somebody or other will do it for us who of course is more clever than we are, and whom we are just too stupid to criticize; somebody who knows everything and can do everything". Naturally, this somebody can also revolutionize the Parliament or Congress, the counter-revolution in actuality. This state of fact -- that is the blind belief in the most impossible capacities of some "great" man or other -- is not so laughable as the mention of it appears; for it was nothing less than a state of fact, and as such had enormous, disastrous consequences for the working class.

It might, of course, be objected -- and this has been done quite frequently, -- that in itself it is quite a matter of indifference what a revolutionist does just on the side: whether he catches butterflies or belongs to a glee-club or casts a ballot into a box. And if a revolutionist has gone so far as to exercise the right to vote, why should he not also exercise that of being voted for? Superficially regarded, these objections appear quite logical. But they will not bear thorough examination. It will probably not be denied that the workers grow politically stale even when they engage, "just on the side", in cultural and athletic clubs or other such organizations not expressly revolutionary in their tendencies. Well, such organizations can not even so much as be mentioned in the same breath with parliamentarism. The most that those organizations do to the worker is to take away his spare time, which he might employ to better advantage. Since their tendency is neither expressly revolutionary nor counter-revolutionary; they also demand no distinct profession of faith from their members. Otherwise with parliamentarism. If one embraces it, and if one wants to obtain a seat in parliament or congress, one must turn to such people as believe in the possibilities and capacities of this institution. It is out of the Question to read them the Communist Manifesto. Or rather: it can be done if the object in view is exclusively political propaganda; but it can not be done if one wants to win the votes of electors. For good or ill, one must then rely on the "illusions of the masses". The question as to what sort of following a professedly revolutionary party acquires through such sort of propaganda is best answered by answering the question: What do the voters, the "masses with

the illusions", expect of a "revolutionary" party to which they have given their votes? They expect from it that it will do what other parties have not as yet been able to bring about; namely: the liberation from all ills. Its following consists therefore of people who expect their liberation from anywhere except from their own action. And this circumstance is not altered by the fact that the communist sections have stamped their voters as "professed revolutionists". In order to cover up the fact that the leading "revolutionists", the functionaries of the communist sections, had been transformed into philistines; the philistine voters were transformed with a shout in the communist press into revolutionists. And if the philistine voter could thus become so quickly and cheaply a revolutionist, then why could the revolutionist, the ordinary worker, not also be a philistine voter? He had, of course, the guarantee that his enthusiasm was not for parliamentarism without circumlocution, but for revolutionary parliamentarism. And so, from one "ballot battle" to the next, the membership of the communist sections was and is being educated to the conception that one may embrace both revolution and parliamentarism. Matters went still farther, however, so that quite soon the adherents of the communist sections no longer embraced the one as well as the other, but came to look upon "revolutionary parliamentarism" as <u>the</u> solution. "Without revolutionary parliamentarism no revolution!" What wonder that the communist section of Germany, for example, fell down so miserably: Hitler had actually, with a single stroke, torn away the basis of its revolution--parliamentarism. But before the good old institution had suffered this fate, it had plenty of time to vent its fury, it was able to disintegrate the ideologically best part of the working class and to defame individual revolutionists and groups thereof; in short: it was able to do a real job. Let us hold in further course to the german example. It was here that "revolutionary parliamentarism" celebrated its greatest triumphs.

Like all the baits which were presented in "ballot battles" for catching the little voting fish, so also "revolutionary parliamentarism" was at first nothing more than a theory in which the voters had to believe. Since the voter, as already stated, is just that person who can have confidence in everything exept himself, in his own knowledge and capacities, he therefore did not consider himself capable of testing the presented theories for their real value and soundness. And so the voter just believed: at one time, that it would be a good thing if the german Kaiser came back, -- for which he settled in full with a ballot for the Conservatives -- at another time, that it would be a good thing if a little more thought were again directed to god, who in the confusion of revolutionary events had been losing his following, -- for which the voter settled in full with a ballot for the catholic Center -- and still another time the voter had no particular belief about anything, and he voted for the strategists of "revolutionary" parliamentarism. Naturally, he had previously, for the sake of caution, "thoroughly tested" all the other promises put forth by the odd dozen political parties, and for this he had been given plenty of opportunity by the thirty or so parliamentary elections of the post-war period. The difference between the theories expounded in the elections and the practice followed in the parliaments was in 999 out of a thousand cases explained in vulgar manner as being the result of the <u>unwillingness</u> of the parties to keep their promises. That the promises <u>could</u> not

be redeemed, that the whole parliamentary business rested upon an objective and not upon a subjective swindle -- such a realization could not be expected from a person who had no confidence in himself, hence also no confidence in his critical capacity.

He voted therefore -- before in final despair he landed with the Nazis -- "revolutionary". And the number of those was not small who in such manner received the commission to disrupt from their seats in Parliament the present world economic order. That number, the number of the "revolutionary" parliamentarians, did not, to be sure, increase with the growing uncompromisingness of the communists toward the capitalist world, but it increased in the same measure in which the communists unscrupulously took over unto themselves all those election baits which had proved themselves highly effective when employed by the other parties. Until they finally came to the contest with Hitler: a contest which turned on the point as to which of the two parties was the real and only representative of "national" interests. The one side gladly admitted that the rabbi stank, while the other side was equally willing to recognize that the monk stank; it appears, alas, that Heine's assertion of more than a hundred years ago, that they both stink, was all in vain.

Now it is extremely difficult to determine factually, on the basis of certain particulars, in what the difference consisted between theory and practice in the case of "revolutionary" parliamentarism, because, of course, the theory was an absurdity in itself, -- as absurd as dry water or cold fire or, as previously here defined: revolutionary counter-revolution. One must therefore simply hold to what the communists themselves held forth in connection with this slogan. And so it was learned that their theory represents practically two concrete things: exposure of the workers' enemies, and parliamentary support of extra-parliamentary actions. The exposure was supposed to proceed in this way: that from the vantage position of the parliamentary benches there should be made public all the wrong which the ruling class and its open and concealed lackeys have committed against the working class. The press was then to provide for further dissemination; for all parliamentary speeches could be printed without fear of punishment, without regard for whether they were offensive or otherwise damaging to individuals or whole organizations. The second manner of parliamentary activity was thought of in this way: that when the workers for some reason or other come into motion against the employers, the communists, with speeches from the parliamentary benches, were to render assistance among the undecided. Naturally, here again by means of exposures. "Revolutionary" parliamentarism was therefore, as we see, exclusively a matter of exposures.

Exposures are naturally something precious, and they have constantly been employed in the workers' struggle against their exploiters. But, strangely enough, they have been applied not only by the workers against the exploiters, but very frequently also the other way 'round -- and, as shown by Hitler's victory after a great number of parliamentary battles, with much greater success than by the communists. The exposing tactic is accordingly not in itself a revolutionary tactic, and, applied in Parliament, it does not logically make Parliament revolutionary. Generally considered, parliamentarism is simply nothing more than fifthy percent self-glorification --- hence propaganda for the next election -- and fifty percent exposure.

That the success of the exposing was much slighter for the communists than for the Nazis has already been mentioned. But of course, this is still not to say how slight it was. Very probably, it was equal to zero. The alternating successes which the communists saw in the increase of the number of seats they occupied in the various Parliaments were certainly attained by way of the enormous amount of individual propagandizing on the part of the army of nameless proletarians in the shops and relief stations. But that could not be confessed at any price; otherwise the burocracy casting furtive eyes on seats in Parliament would have lost every plausible ground on which to stand for election.

But apart from such a question, which can not be answered in a manner which is wholly satisfactory, there yet still remains a very essential question, namely: the cost of the questionable success of the exposing. It is well known that the communists in their heyday -- that is, shortly before they gave over the field without a struggle to Hitler -- had nearly a hundred seats in the Reichstag. Hence from all parts of the country there came together in Berlin the communist forces most highly trained in agitation and propaganda, in order to witness in Parliament the flat, stale and unprofitable harangues of other parties. When things were running high, there was occasion once a week for a communist, in a three-quarter-hour speech to conduct communistic exposing. The number of times that the communists took the floor and the length of their speaking time was accordingly not left to their own discretion, but was governed in painfully exact manner in accordance with their order of business, which was loyally adhered to by the communists as well. In case, someone or other persisted in disregarding that order, he could be excluded for one or more sittings. In and of itself, that would have been no misfortune, if his pay had not been correspondingly cut.

Thus in order to deliver one three-quarter-hour exposing speech per week, there assembled in Berlin alone -- not to speak of the odd dozen provincial Parliaments, which likewise swallowed a large number of good agitators -- some hundred party functionaries (mainly secretaries and editors), who were thus made unavailable for any real party activity. If each of these functionaries had held only one meeting each week and if each of these meetings had been attended by only a hundred people -- certainly a modest figure for Germany -- in that case all conceivable exposing could have been conducted before ten thousand attentive listeners in speeches extending over one hour and thirty minutes. That is, the performance of each functionary would have been double that of the entire communist fraction in the Reichstag. In other words: the functionaries of the Reichstag fraction could have conducted two hundred times the amount of exposing if they had shifted their field of action from the Reichstag into the country. This numerical example may be applied also, if one likes, to the other Parliaments. It would then be seen how much time was squandered by the parliament-thirsty communist burocracy; time which might have been employed in providing a systematic revolutionary education of the working class.

It may be objected that certain exposures were in violation of law and that the exposing conducted in Parliament, even if unlawful, remained unpunished. Theoretically, that is correct, but practically quite without significance; for precisely during the time

in which the communists were preaching the necessity of revolutionary parliamentarism, from the end of the war to Hitler, the propagandistic opportunities in Germany were ample. In case, however, a decisive exposing speech had once really been made, then the bourgeoisie had only to clamp down on the newspapers in order to deprive it of any effect beyond the few listeners in parliament.

As a matter of fact, in the history of the german Reichstag there was only one solitary exposing speech to which success was generally attributed. It was the speech of Karl Liebknecht (1912) against the corruption which had arisen in the business connection between the army and its cannon-furnisher Krupp.To this example of exposing there might possibly be added the nicely memorized phrases that Philipp Scheidemann delivered in the Zabern military scandal; but this exhausts the list of all the exposings wich the bourgeoisie found painful. And the success? The officers involved were pensioned at the cost of the tax - payers or " fell up the steps". And yet it was precisely in the year 1913, hence in the midst of the exposing campaign, that the Social Democracy, by which this later exposure was conducted, for the first time granted financial means to prussian-german militarism.

But of course, one may say, the communists are not social-democrats. And that is correct. For while the social-democrats still for a time shamefully opposed the war, among the communists this false shame has already quite vanished. In proof of this, there is no need to go back to the offer which Clara Zetkin at that time made in the Reichstag to the german Reichswehr. We have only to refer to the statement of the german delegate Wilhelm Piek some weeks ago on the occasion of the world congress of the Comintern. He said, verbally:" A war conducted by a country with democratic government against a country with fascist government is a noble war, and the communists should take part in it. " Perhaps the communists want to have the opportunity, through voluntary and active participation in capitalist wars, to expose the bad and unpatriotic conduct of war on the part of the bourgeoisie. In the case of the comintern, one must of course be prepared for everything.

We might show, further, by way of a very pertinent example, that the communists in the parliaments by no means constantly conducted that sort of exposing that borders on lese majesty or high treason, and which might have been dangerous to the press or to ordinary speakers at meetings. During the Ruhr occupation in 1923 a high official of the Ministry of Communications came to the Communist Reichstag fraction and produced the most detailed data regarding instructions of the government for blowing up blast furnaces, flooding shafts, disrupting canals and sluices -- in short, for carrying out in the Ruhr district a "Hindenburg program". Various dynamitings had already taken place on a number of transport routes by the workers there employed, on instruction from "above". The conference at which the "Hindenburg program" was decided upon was held in the rooms of a ministry of the Reich and was attended, through delegates, by the following organizations: Ministry of the Interior, Ministry of Communications, Social Democratic Party, Democratic Party, Center, General-German Trade-Union League, Hirsch-Dunker Trade Unions, Christian Trade -Union League and the legal shop councils concerned. All the data were

first brought together in an article by a Reichstag member and offered to the Rote Fahne for publication. The paper declined publication on the ground that it would be prosecuted for high treason. The offer of a Reichstag member to take over the responsibility for the Rote Fahne the day on which the "exposure" was to appear was likewise declined, without any reason being given. Thereupon an attempt was made to lay bare the criminal beginning of the Cuno government by way of a "Little Inquiry" adressed to the Reichstag. The communist fraction, however, forbade the member in question to present the "Little Inquiry". A few days later came one of the "great discussions" frequent at the time. In the joint session of the fraction and of the central committeee of the Communist Party preceding this discussion it was decided, in spite of the pressure of two deputies and against their votes, that the fractions speaker was not to mention the "Hindenburg program". And so it was done. All which we feel in duty bound to expose in order not only to show how little effective parliamentary exposures are, but also how little subjective will is involved behind the objective paltriness. What, then, still remains over of the bombastic theory of exposing ? Nothing but a veil behind which those parliamentary bourgois conceal themselves who need the votes of anti-capitalist but still innocent prolets, or else the votes of those who had already tried all the other parties and been disappointed. This latter sort, which unquestionably made up the majority of the communist votes for parliament , finally landed with Hitler.

Let us now turn to the cases of "parliamentary support of extra-parliamentary actions", which by the side of the exposures are to furnish the justification for the entrance of communists into bourgeois Parliaments. For this purpose, let us imagine that a considerable part of the workers has for some reason or other come into actions. It is not to be assumed that this happened because a parliamentarian made a speech. Actions of the workers have a more material basis than the mere effect of a speech. The reason, however, which led to the action determines also its direction and its fate. Actions in connection with a strike, for example, proceed in the direction of winning the strike. They pass beyond their initial character when the ruling class, through economic or political reprisals t' forces upon them other means of attack or defense. If in a strike the situation for the workers is favorable--that is, if they have a good prospect of attaining the immediate goal -- they will leave off with a mere strike, and the best parliamentary speech ever delivered will not result in so much as the stirring of a mouse. On the other hand, when the prospects were bad, there has never been a case in which the parliamentary speeches of the communists were able to convert such unpromising undertakings into promising ones. Here also let us take an example from the more recent history of the labor movement. When in Marxh 1921 the uprising which goes by the name of the "March action" took place in Central Germany, it was in so far "supported" by the communist Reichstag fraction as one of its speakers called on the workers to "seize arms wherever they can be found". Now it is well known that this central-german uprising was strictly an armed affair, and logically the workers took not only arms where they could find them, but also other things which were necessary to the open struggle with the white guardists. Naturally, the workers had the arming action already long behind them at the time the call for it

came from the parliamentary field. Scope, course and fate of the uprising remained also absolutely unaffected by communist speeches, which received their most attentive reading from the german judges who later sent the insurrectionary workers to the penitentiaries. The nature of the uprising made it a sort of guerilla struggle, and this in turn determined its scope and course. The guerilla struggle naturally resulted in group-forming, and these groups in turn had to bring forth leaders who, thrown entirely upon their own resources, could not pay the slightest attention to communist speeches in the Reichstag. And because they could not, and therefore quite reasonably did not, they were dubbed bandit ringleaders in the party press. Such the nature of parliamentary support of extra-parliamentary actions. It reveals itself, exactly like the exposing, as a bluff, the disingenouus nature of which is not perceived by the uncritical worker and for which he therefore falls.

The working class must learn to ask: " What is the parliament (or congress)?" and not as hitherto: " Who represents my interests in the Parliament (or Congress) ?" At best, the Parliament is the means with which there can be undertaken a suitable distribution of the sphere of power and interests between the individual capitalistic rivals. In effect, then, an instrument for settling the conflicts of interests within the ruling class itself, and hence a means of strengthening the ruling class. To grant to the suppressed class, by way of parliament, any political or economic advantage whatsoever, would merely mean to give back to the working class, without a struggle, what the exploiting class daily pillages from it with much pains and no little danger. Anyone who considers the ruling class and especially its parliamentary sycophants to be so "soft", let him calmly keep on voting. Anyone, however, who has no illusions regarding the essence of capitalism, leaves the babbling bourgeois to themselves and forms with his class comrades an army which doesn't treat with the bourgeoisie but brings it low.

W.T.

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class because of the increase in productivity and the resulting increase in profits. These reforms, however, were seldom granted without much struggle. There were victories and defeats in both wings of the movement and the economic and political organizations grew and developed with capitalism. The controversy as to which was most effective of these activities continued.

The present period of capitalist decline, however, is one in which generally no concessions are possible for the working-class. Further, we have definitly left the era of democracy, the era of free competition. This democracy which served the conflicting interests of small capitalists during the developing stage of capitalism, is now no longer compatible. Monopoly capitalism in a period of permanent crisis, where the short waves of upswing and "prosperity" are the exeption and where capitalist crisis is the general rule, finds dictatorship and organized terror the only means to insure it a tranquil proletariat. Democracy, parliamentarism and the parliamentary organizations become obsolete and in fact cannot be tolerated. Where parliamentarism still remains, it only indicates that the general world crisis has not attained sufficient depth. The unquestionable tendency throughout the capitalist world is toward fascism and the dictatorship of the monopoly capitalist class.

This development also renders the controversy of the parliamentarians in the movement with the left communist groups obsolete as well. The name "anti-parliamentary" therefore is historically outworn and should be discarded. In its place the better title, <u>council communism</u> should be adopted as it designates as a name the major principles difference between the old and the new labor movement. This difference on the role that organization plays in the class-struggle and in the proletarian revolution is of increasing importance, while the question of parliamentary activity is of decreasing secondary importance throughout the world movement.

The name <u>Council Communism</u> has been adopted by some groups and is used extensively in our literature. It should be used by all left communist groups who adhere to the international council communist movement. This new movement growing up in the new historical period in which we live, holds that the proletarian revolution is a class question and it devotes its efforts to aiding the working-class to carry through its historical revolutionary role, a task in which the old labor movement failed.

In contra-distinction to the old party form of organization, universally common to the parliamentary politicians in the old labor movement, the new labor movement holds that the soviets, the workers' councils are the real fighting organizations of the working class.

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REPORT FROM DENMARK

22d Congress of the D.S.P.

The 22d congress of the danish Social Democracy was held in Aalborg, beginning June 23 and ending June 26.

According to the report of the central organ, the "Social- Demokraten" of June 24, the congress was opened with pompous ceremonies and the whole of laboring Denmark was represented. That is, 500 Delegates represented, according to the report of party secretary Hedtoft-Hansen. 1207 unions with a total of 192,000 members. The guest were the president of the Second International, de Brouckere, together with general secretary de Block (Belgium), Boeckmann (Holland), party secretary Anders Nilson and treasrer Wallin (Sweden). That exhausts the list on non-danish representatives. The ordinary worker wonders: "Where, then, are all the heroes of the Second International ? Where are the representatives of the german, austrian, english, french and all the other socialdemocratic parties of the many nations ?" It would seem that there are only two alternatives: Either the pompous congress was regarded as not so very important, so that many refrained from putting in an appearance; or lese they preferred to keep silent about the world political situation, which of course rests on the altered economic situation. Or did a representative of the german Social Democracy not venture to make his appearance and speak because he would have had to confess that its "democracy" had been given up without a struggle; or that the german S.P. had indeed made bold to proceed in strength with police and the military against the german working class, but cowardly backed down when the question was one of defending the most elementary basic rights of the proletariat ? Or did a representative of the austrian Social Democracy not venture to make his appearance and speak because he would have had to confess that it is impossible to arrive at socialism by way of formal democracy, even with a 51-percent majority (Vienna had even a 70-percent majority). And the danish worker might then have recognized clearly that the central point of Marxism, namely, "that the working class in its struggle for socialism can not simply take possession of the existing capitalist state machine, but must break it up", is am incontestable historical truth which contains theoretical and organizational consequences.

Anyhow, lets make an attempt to understand the congress in its significance to the danish working class. The central problem was posed by the leader of the danish party, Prime Minister Stauning. His disquisitions, which are embodied in the "Manifesto to the Danish People", culminated in the following ideas:

" The crisis of capital is a world crisis. It is not, as some may believe, of a transitory nature, but is a permanent phenomenon. Various great nations are going over, in so far as they are in a position to do so, to autarchy. Denmark is in the main dependent on export. She can in future only have regard for her purchasers. Her heaviest purchaser is England; consequently we must buy from England as much as England from us. But beyond that, we too must try to go over to autarchy as much as possible. The main department in the danish economy is agriculture. On it our strength must be concentrated; it must be aided, if necessary thru state intervention. This

planned-economic aid ,which may also be denoted as adaptation economy,has nothing to do with Marxism or Socialism ...Nation now stands against nation. Because I realize this, I am ready to make theoretical and economic sacrifices. The national sentiment and the national interests are themselves realities of which one speaks not only on formal occasions. Nor are we justified in overlooking the fact that the spread between the selling prices of our agricultural products and the prices which we pay on the world market is too great. The prices for agricultural products have increased since 1913 by 20 to 25 percent,while the purchasing prices for metal wares, machines, lime, building stone,fuel,oil,clothing and textiles have increased by 24 to 92 percent. Agriculture is in need of constant help. The trade unions must comprehend also their new tasks in the new epoch. To be sure, the workers shall not be deprived of their right to strike,but it has to be considered whether a strike may endanger the whole nation,as was the case with the meat-market workers' strike of last year. At that time we stood the first test and then simply ended the strike.We must find new forms, in order that the economy as such may be preserved in the present situation from useless struggles. ....In the concert of nations we blow the old shawm of peace. It is true that our faith in enduring peace, in disarmament and in the power of the League of Nations, etc. , has been disappointed. Nevertheless, we hope that the great countries will recognize our will to neutrality and will not deny us the right to live. We want with all our united strength to develop and strengthen the productive forces in the country and the people, to draw the whole people with us into labor and to have Denmark for the people. "

Thus we have sought to reproduce the confession of a beautiful soul. What is now to be said of it from the standpoint of the revolutionary worker? The world crisis did not begin just in the last few years, but has been clearly recognizable at least since the year 1918. The social-democratic parties in all countries contested this recognition and set about to heal the numerous wounds of world capitalism. Pacifist slogans --"No More War", "United States of Europe", By way of Democracy to Socialism", --were the ideologically false guide-posts which diverted the proletariat from its historically necessary task ,overthrow of the profit order, and set it upon false paths. Since capitalism must ever seek for new and higher forms of its concentration, it showed aside the stage-dressing of formal democracy wherever it felt ideologically and organizationally strong enough, in order with new organizations to put thru its necessary new forms --state capitalism. " Planned economy" and "self-sufficiency" are the watchwords of this epoch on the one hand, and on the other the sentiment of nationality as a duty of the worker together with simultaneous outlawry of the strike. In Denmark the prohibition of striking is designed to bring it about that in the coming equalization of purchase and sale prices the wage cut occuring thru increase of the prices of means of subsistence shall be accepted by the workers without a struggle. Now if the proletariat as a class is not to be throroughly pauperized, it too must seek for new forms in its struggle for emancipation. It must realize that any joint action with its bourgeoisie is simply bound to worsen its situation, and that it, the proletariat, will always have to pay the expenses of the reconstruction.

On Monday, July 29, 1935, Copenhavn witnessed a great demonstration of the L.S. movement (banding together of the country population) in front of the royal castle Amalienborg. There were approximately 35,000 people assembled, who demonstrated to the royal family and to the government their "distress". The King spoke to the demonstrators of the general distress and drank to the health of Denmark. He then received the deputation and referred it, since of course he was a constitutional monarch, to the government of the country. The social-democratic prime minister Stauning also received the representatives of this movement and referred to the usual way of negotiation. The delegation presented to the government various demands, the fulfillment of which was awaited within two weeks. There was demanded a guarantee of the prices, adapted to the conditions of production, for agricultural products; abolition of certain taxes, and abolition of all distraints. If these demands should not be met, the agriculturalists would have recourse to counter-measures for obtaining their rights. The demonstration in its various phases was broadcasted, and a great number of anti-capitalist words fell upon the ether.

Now what is the L.S. movement, and what does it want? In the year 1930 the big land-owner Knud Bach, the leader of the movement, gathered about him a number of his compeers, and together they started this danish peasant organization in which, so perfectly after the german model of the Nazi movement, everything is combined in perfect harmony: by the side of the count, the ordinary country worker; by the side of the larger or smaller peasant, the director of the corporation. According to its literature, the L.S. aims to be a pure "trade-union" movement. This literature gives as the reason for the advance of the working class, that by the side of its political party it has also the trade unions which hold in check the "hundred-percent" politicians. All the peasant politicians have betrayed the peasants; the peasants must therefore have a trade organization of their own and also venture to make use of the same means of struggle as the working class; and it would surely be a paradox if Minister Stauning, who came up out of the trade movement , should venture to take action against a production strike on the part of the peasants. These big land-owners, who refrain from coming forth openly as Nazis, are enabled to represent their standpoint in three dailies and three weekly periodicals. The movement itself has a so-called council of 21, in which are seven representatives ofthe meat markets, seven of the dairy farms and seven of the inner direction of the L.S. In one of their programmatic leaflets they come out dor autarchy in so far as possible, a fair wage for good work, together with a wage determined by the economic conditions and also a flexible currency, in the main a depriciation of the krone. They demand also the setting aside of the class state created by Marxism and Liberalism. The main idea which hovers before the directors of the L.S. movement is an agricultural cartel over the whole of Denmark , in order in the first place to be able to fix the prices within the country and then for products going abroad, whenever there is an opportunity to deliver enormous quantities of butter, lard, eggs and poultry to countries at war - even when one is neutral - , of course, to the full extent possible. Besides, it is clear to the L.S. that it is only by way of a national revolution, thru setting aside of the class state which has created egoism, that the conditions can take a turn for the better. A new age has dawned, and countries like Italy and Germany are path-breakers for the new

idea of national self-sufficiency.

The danish working class under-estimates this new movement, and comfort is found in the circumstance that after all only 35,000 people were present, whose votes are not decisive. It is also said that many farm workers were given double pay for taking part in the demonstration, tho privately they favor democracy. In reality, this is a camouflaged Nazi movement in which the danish National Socialist Labor Party is working with a view to the goal.

The parliamentary parties have treated with this movement and taken a stand with regard to its demands. The demands have been rejected, but the negotiation itself was no sign of strength on the part of the parliamentary parties and the rejection merely helps the L.S. in its propaganda. The L.S. has now proceeded to the so-called valuta strike; that is, the goods delivered to the members are not to be paid for until later, even tho they may have received money which might be used for that purpose. From the purely democratic point of view, all this is illegal, to be sure, but the government doesn't dare to proceed against the movement. The motto of the Social Democracy --"Democracy, lay on!"-- is put into practice only against the prolets who once venture to go their own ways in the class struggle. As regards the goal, moreover, Stauning and Knud Bach are at one. Both want the autarchy policy to the full extent in which this is possible in the age of world monopoly and so far as permitted by the country's scant raw materials. And because of his realization of this situation, Stauning is willing to make economic and theoretical sacrifices, as he said at the last party congress; that is, the sacrifices are to be made by the workers, and precisely for the benefit of a suffering farm economy. The only point of difference concerns the methods.

L.

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The Third International in the Opinion of the Bourgeoisie

The bourgeois-liberal MANCHESTER GUARDIAN (August 2, 1935)writes:

"What Karl Marx said of the Democrats in his day is true of the Communists in our own day - that they emerge from the most shameful defeat with looks of triumph on their faces. The Communists who make up the Third International tried to capture the trade unions in various European countries, but they failed miserably. Then they tried to set up rival trade unions, but they failed again. They talked much about direct action and armed rebellion, but in all the big historic battles on behalf of the working class- the generalstrike that repelled the German counter-revolution in 1920, the Austrian and Spanish insurrections last year - the Communists were hardly to be seen. Only when direct action was altogether senseless did the Communists take it, as in the futile German insurrections of 1921 and 1923 and the mad Estonian revolt of 1924. Even when in Germany they had a large following,thanks to the mistakes of the Social Democrats,they were unable to do anything that was not harmful to the working class.They helped reaction into power directly and indirectly. They taught the Nazis lessons in demagogy, violence, and political cynism. They were the allies of the

Nazis in the asault on democratic institutions. One might have thought this week's congress of the Third International in Moscow would take some stock of the ruin it has brought about, but not at all; the congress explains amid much cheering that despite minor errors - there must, of course, be some "Leninst self-criticism"- the Communists were always fundamentally right and everybody else always fundamentally wrong. Perhaps the future of Europe will be with some form of Communism, but that it will never be with the Communism of the Third International is made much more certain by that International itself and its congresses in Moscow than it could ever be made either by Hitler or by Mussolini. "

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Critical Remarks Concerning "The Rise of a New Labor Movement"

The article which appeared in the C.C.(August 1935) under the above title was an attempt to bring before the revolutionary workers the essential features of the new labor movement now in process of development. The C.C. stands open for all expressions of opinion which may be regarded as serving to clarify the question thus broached. We begin by presenting some critical remarks which seem to us worthy of consideration.

I find passages in your work that strikes me as well thought out and correct; particularly the disquisitions concerning the mass uprising, which in virtue of its inner tendencies and the conduct of the bourgeoisie passes beyond itself. Nevertheless, on this point also I wish to present a few observations; but I will follow your own exposition.

On the whole, it seems to me that your work, in spite of various good features, is written too far aloof from any real and concrete movement of the working masses on the actual present-day field of struggle, and that its results have been arrived at more thru speculative, so-to-say "philosophic" after-thought instead of thru serious analyses of the present class situation in the various countries, or investigation of the given state of capitalist economy and politics on the national and international fields. This becomes clear as early as where you speak of the working class as a "lifeless thing". Such a statement is simply false. For the working class even today is a quite "active" force in the social development. Its support of the Social Democracy in various european countries, in the United States its entry into the trade unions bought by Roosevelt -- such things, among others, are after all a socially very effectual, tho to us extremely uncomfortable bit of "activity". For the workers accomplish in this way, however badly, a bit of reformist class action, strive for their (socially ever smaller) share of the product which they themselves create. This "activity" has a quite determinate, even tho conservative, effect in capitalist reality. A revolutionary passive class is <u>not</u> a "lifeless thing";

tho it is true that its activity is, in the first place, relatively weak and, secondly, goes in a direction which does not consiously lead to communist struggle. Unconsciously, however, even a reformist policy in which class interests are represented contributes a certain social propulsion and drives things forward. Fascism, as Silone has shown for Italy and as the german experience also has thought, is not the blow directed against a class standing at the threshold of revolution, but precisely against its reformist activity, which at a certain stage of monopoly capital and in connection with a certain sharpening of the crisis becomes intolerable to the bourgeoisie, already struggling for its economic existence and which sees itself attacked in its substance by reason of its own economic contradictions. While it may be true that reformism--which, nevertheless, has been carried on and tolerated by an entire class -- has at a certain level a capitalistic function, it still at the same time forms an inner contradiction of capitalism, somewhat in the same way as does the competitive struggle between agrarian capital and export industry. And it is quite possible that capitalism in various countries will go to pieces precisely by reason of these manifold inner contradictions. Thus it is much more probable that german fascism will collapse than that it will be overrun by a revolution. The revolutionary struggle will probably not occur until after the collapse (cf. also the russian revolution).

What you say about the necessity and the course of the proletarian mass action and its council form is in many respects correct, but not sufficiently concrete. How does the development look from this point of view ? You speak of a "leap in the unfolding of the class forces". The phrase stands there as if you had succumbed to an hegelian belief in miracles. For after all, " leaps" in the historical development have always been the result of the most manifold molecular processes. It would be our task to investigate the general social conditions as given by capitalism as well as those relating more particularly to the proletariat as a class and which are effective in this respect in the present-day situation in the various countries.

You make your exposition still more obscure with something to the effect that a revolutionary mass thrust will will not bring forth a new" organizational apparatus" but a·" new vital principle". In the first place, I fail to understand what this " vital principle" is supposed to be, and secondly, how such a concept can be set in the place of organization. When you reject the hitherto existing "organizational apparatus" of the capitalist State, of the reformist and bolshevist organizations, you are on good ground. And when you grant that, on the other hand, the mere organizational form of the councils is still far from guaranteeing any class-conscious action, you are again right: any belief to the contrary would be council mysticism. You can hardly deny, however, that without suitable organizations any class struggle and any mastery of society is impossible. When the fighting proletariat in the course of its experiences on the field prescribed for it by the class enemy proceeds in a socialist direction, it is compelled to shape for itself new organizations , which we call "councils". It must even develop out of the council form a "State", in so far as it has to bring down and hold down its class enemy and ward off the attack of possible capitalist armies from the outside. The proletariat can

absolutely not dispense with a machinery of suppression in this sense, as you may be convinced by going back to Engels.

I agree that "it is class power that we need". However, we are not justified in using that power in order to skip over the question of the middle class, particularly that of the peasants. All previous experience shows that revolutions were accomplished only in case these middle starta also sensed the intolerableness of the previous conditions and welcomed a change. The european proletariat has, furthermore, to solve the decisive question of putting food supply forthwith on a sound footing and will thus be decisively faced with the problem of having it out with the farmers. Force is the worst method to that end and will be made only use of in case of extreme need. Hence the question of the relation to the peasants and to the other parts of the middle strata -- not so much "after the day of the seizure of power", but in the struggle for power and during the exercise thereof, hence in a thousand gigantic difficulties -- stands for us on the order of the day.

Now to the most important question, that of the "new organization". We are no doubt on the point that a political organization can not replace the independent action of the class, and therefore that reformist, centrist and bloshevist, i.e. bourgeois forms of leadership organizations must be thrown out of commission. It appears, however, that we are not agreed as to the role to be played by the "new organization" in the proletarian struggle. As you expound it, the role of communist organization in the development of the proletariat is a quite subordinate one. So I infer at least from the circumstance that you speak of the small groups which stand quite loosely side by side, can naturally have mutual understanding, but really keep on existing as small independent centers and, in consequence, their work is in so far as possible purely propagandistic, while substantially the class goes its own way. I regard such a conception as inadequate, and believe that it stands in contradiction to reality and to the tasks which lie before us.

You have resorted to undue simplification by saying that the class is at present a "lifeless thing" and will all of a sudden negotiate a "leap" to class consciousness. But don't think that by so doing you merely pass over the difficult but pressing task of investigating everything exactly and concretely, without which you can not take a single step forward ?For in reality the working class in the various countries is not an unwritten page; it is rather already burdened and plagued with a long past. You think that now Fascism has destroyed the old organizations they are out of the way and that the workers begin all over again to construct in proper class manner. The old, however, is still far from being out of the way. Remains still exist, for the present, even where Fascism prevails, remains which are much greater than what is painfully struggling thru anew. There are still in existence great social centers for the old: bolshevist Russia and the american trade unions. These latter, in spite of all the savageness of the workers' struggles there (even with violations of the principle of private property, such as you describe) and a socially tense situation, are for the present giving a firm footing to what in Europe is now going under. As to how long that is possible, that is a question which is unsettled: one reason for following matters

there obcectively and accurately. The old continues to live on also in people's minds. I am thinking of a collapse of german Fascism, and of the possibility that then a dozen parties will be on hand to swoop down on the workers:bolshevist and centrist and reformist currents of divers hue, and by the side of them various groupings which want to begin from the ground up and which can still not by a long shot be clear regarding everything essential. Now it seems to me that your attitude makes it impossible to exert the highest degree of influence upon this chaotic situation, or at least makes such action much more difficult. Communists need an organization (they need, as I think, even a second, analogous organization of an industrial cast), -- an organization which, to be sure, on the inside makes impossible all steam-roller methods and leadership rule, but which as a strictly coherent instrument can become effective. A federalistic organization can not put itself across, because it quite fails to conform to the monopoly capitalist situation in which the proletariat finds itself. It would be still a step backward behind the old movement, instead of a step beyond it.

Unless you aim for that, and not only nationally but on an internatioanlly scale, then in the first place you leave the field uncontested to the other organizations which for the present are still capable of action and which want to divert the proletariat a second time into the swamp. And secondly, you form in substance only locally limited centers of experience for which it becomes much more difficult to rise to general class experience. For the unifying and internationalizing of all experience remains as one of the central tasks of a communist organization. Thridly, however, you treat of the " new organization" not at all as if it consisted of workers, but as if it existed beside the workers. It is surely clear, however, that the communist elements that join together in the groups are likewise parts of the class, the most advanced portions. Their organization will accordingly seek to take an active part, in whatever concrete forms, in all mass struggles. It can hardly take a position to one side, in order afterwards to draw theoretical conclusions.

Committees of action, councils ,etc. are the most general forms of the class organs. The ripeness of the struggling masses, which have to obtain these organs by great exertion, is manifested not in the lack of parties etc., but in the circumstance that in their struggles, they try themselves out and finally thrust upon the political line which the most advanced of these organizations embodies. This prganization, which must certainly not be called by the name "party" and will also be fundamentally different from what is now so called, can enormously accelerate the maturing process of the masses, in that it impels to the maximal unfoldment of forces. But during and even after a seizure of power there will still be backward elements leaning to other parties of the same backward character, parties with which we shall accordingly have to settle accounts. You will perhaps say: in that case we shall form, in addition to the dozen, the thirteenth party. But such a viewpoint is false. For we embody other principles, other conceptions of organization, and our work will have a different aspect. But we must become effective, and that in the highest possible measure.

Furthermore, you quite overlook, in the main, the field of

struggle as to which the working class has no choice. Not only in the sense that you make no attempt to sketch the manifold and enormously contradictory picture of present-day capitalism, or that you fail to investigate its features. But also in the sense that of all the general and fundamental matters you emphasize only one thing: the capilist struggle for profit. That this struggle has, however, in the first place, a definite, varying economic structure of capitalism as its basis, and a greater still more quickly changing field of political guarantees as its second sphere of action, -- all that fails to enter your range of vision. And yet the whole development of capitalism proceeds in the interaction and in the antagonism of economy and politics.

The proletariat is stationed on both fields, on both it must fight the enemy, must accordingly break up a power apparatus and win a productive apparatus, and this production apparatus must be fundamentally transformed and secured politically anew. The proletariat can therefore not keep out of this interaction and this antagonism, must organizationally master both of these apparatuses in the stages of its revolution (for I speak here of the stages of the perhaps long continuing decisive struggle, not of what will come later). That is to say: Political councils as instruments of proletarian class power, economic councils as organs for the taking over of the seats of production and for bringing them into action not alone with a view to so-called work of construction, but also adapted to the conditions of the continuing class war, with the proletarian people as they are in reality. Or in other words: Communist organization on the line of socialization and on the line of the conquest of power.(Industrial organization and political organization.)

That appears to me necessary as a basic orientation, and from it now follow the further questions of the momentary beginning, of the momentary working methods, of the momentarily possible cooperation, etc. My remarks are intended merely as suggestions and points for discussion. As an actual, practical preliminary question I pose the following: What do you think of the building up of an international cooperation for the purpose of forming a picture, as concrete and many-sided as possible, of the present-day economic and political reality in the various contries ? In other words: How shall we shape for ourselves a general perspective, resting on the investigation of facts, and into which can be built a discussion of the questions of further organizational construction, of tactics, etc. ? Our knowledge of the enemy we want to overcome is of course quite inadequate, so that he surprises us again and again. These things appear to me, therefore, not only the most important at present, but also those regarding which an understanding is first possible.

H.W.

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Please Notice

In a forthcoming issue of the C.C. we will publish an answer to the above criticism. We will also publish a critique on the Theses which were adapted by the Brussles Conference as reported on in # 11 of the C.C. Don't miss reading this discussion.

T H E I N T E L L E C T U A L S

The intellectual middle class, the engineers, scientists, technical employees, etc. are a necessary part of industrial production, quite as indispensable as the workers themselves. Technical progress, in replacing workers by machines, tends to increase their number. Therefore their class interests and their class character must be of increasing fmportance in the social struggles.

Their growing numbers reflect the growing importance of science and theory in the production of life necessities. In a communist society all will partake of scientific knowledge. In capitalist society it is the privilege and the speciality of a separate class, the intellectual middle class.

The members of this class, contrary to the old independent middle class of small business men, live by selling their labor power to the capitalists. Their salaries indicate a higher cost of living and a more expensive education than that of the common workers. In the socialist press they are called proletarians; (indeed, they are not owners of instruments of production) who need must join the workers. But it is only their lower ranks that merge gradually into skilled labor; the higher ranks, by origin and standard of living, by relationship, social standing and culture, feel themselves middle class men, who can rise even to the position of a director, and thus be ranked with the big capitalists. Some of them sympathized with social democracy, but the bulk was filled with the capitalist spirit of striving for a better position for themselves only. In Italy and Germany they form the intellectual backbone of fascism.

What are the social ideals of this class ?

They realize that capitalism is not eternal; they already perceive the signs of its decline: in economic crisis, in political revolts and revolutions, in social struggles, in world war. It is not the exploitation of labor that annoys them in capitalism; it is the disorder in capitalism, the anarchy in production that provokes their criticism. Where they rule in the factory, the efficiency of labor by means of strict order and conscious regulation is raised to the highest degree. But outside the factory, in society, where capitalists, stock gamblers and politicians rule, they see the worst disorder and inefficiency, a scandalous waste of human labor, and the inevitable consequence: poverty and ruin for the whole of society.

What they want, therefore, is organization of production, consicious regulation of labor over the whole of society. They feel themselves the spiritual leaders, the class of intellect and knowledge, destined to take over the lead from the incapable hands of the present rulers. In America the ideas of "technocracy" are the first tokens of such a mode of thinking. By a scientific management of the whole of production under a central direction which does away with competition and which divests the individual capitalists from their arbitrary power, the amount of product can be raised to such a height, that there will be abundance for

everybody.

This social ideal of the intellectual middle class is a kind of socialism, but it is not necessarily directed against the capitalist class. It does not mean to expropriate them or to take their profits away from them. On the contrary, in depriving them of their arbitrary power to damage one another, in abolishing the enormous waste, it will raise the productivity of labor to such a degree, that the profits will increase considerably. And at the same time it renders possible an increase and securing of the workers' portion, so that all reason for revolt or revolution is taken away.

It is not a socialism of the workers, but a socialism for the workers; a socialism made by others, also for the benefit of the workers. The exploitation of the workers will not cease, it will be made more rational. With equal justice this social system may be called "organized capitalism".

There is, of course, no place for democracy in this system. Democracy means, at least formally, rule of the mass, of the whole people. But this socialism is founded upon the rule, the leadership of the few, of the intellectual minority. In present-day capitalism the technical middle class are leaders and directors of the labor process; they command the workers. They can imagine an ideal society only with this leading and commanding function preserved and extended. The intellectual class does not admit differences founded on noble birth or riches; but it admits differences in brains, in mental capacity and it considers itself as the class of men with the best brains, selected to lead the great masses of the ungifted common people, destined to be common workers.

Hence the political system belonging to this middle class socialism can never be democracy; it must be the dictatorship of a leading bureaucracy. The socialism once proclaimed as their social goal by the vanguard of the working class, was international. Because they saw production as a worldwide unit process and the class struggle of the workers as the common cause of the working class of the whole world. The intellectual class, however, owing to its middle class origin to the close connection with the capitalist class, has a strong national feeling. Moreover, the instrument necessary for the regulation of production exists as power organ of the state. Its socialist goal therefore means a national state socialism. Its rule is the rule of a state burocracy, its system of production is state capitalism. International world unity is a far-away dream to them, not a matter of practical ideals.

Some characteristics of the social ideals of the intellectual class are found in social-democracy, especially in its state-socialist program, though its relation of leaders to masses has a more democratic stamp. In German National Socialism some others of these characteristics are perceptible. The tendencies of a class are never reproduced purely in a political party or a political movement. They are the underlying basis, the underground stream, taking its course and growing after fixed laws, determined by class interests, by needs of social development, by the deepest subconscious feelings which the social conditions produce in a class. They are not

adequately represented in the surface phenomena, in the political events, the party platforms, the government's changes, the measures taken, the revolutions, the programms --because in all these the traditions, the existing power factors, the relative force of contesting or co-operating classes, groups, parties, play a role. But then always anew, the realities hidden beneath the surface break through, upset the old and determine the new ideas and political events. So we have to look into these events for the class forces at work in them, just as for the forces of nature we look into the natural phenomena.

In fascism and national socialism the class spirit of the intellectual middle classes appears in its first germs. We see as yet only a common revolt against democracy, with only a faint and vague desire for an economically constructive policy. Nevertheless, the spiritual force of the national-socialist slogans of the intellectual class was sufficient to carry away numbers of workers who saw in it an organizing power against capitalist disorder.

It is possible that these parties will realise, or try to realise the class ideals of the intellectual class ? This class is wellnigh powerless against the capitalist class. The social power of the intellectuals, measured by their number, their class consciousness, their social feeling, is still far below the power which the working class had long ago already attained. The capitalist class in Europe and America is so powerful that it does not need to tolerate any organization or regulation of production beyond its own interests. It is only when capitalism feels itself extremely weakened and endangered, by hard and long crisis, by worker's revolts, by world war, that conditions are different. Then the intellectuals, together with part of the workers, may be called upon to introduce constructive policy, tending towards state capitalistic experiments.

When, however, the working class, rising against the unbearable oppression of monopolistic capitalism, by means of revolutionary movements, should succeed in beating down capitalist power, what will the intellectual class do ? Then the position will be reversed; the working class, by its mighty fighting power, carries the other discontented classes along with it, in a common assault on capitalism. Then great parts of the intellectual class will join them, won over by the great socialist and communist ideals, and will consider them as their common cause. In every revolutionary movement in history we see great numbers joining it in a common enthusiasm for aims more radical than their own ideals, thereby making victory more easy. But afterwards it appeared that each of the allies interpreted the slogans and aims in his own way, thus causing dissensions and new fights between the former comrades. The same will doubtlessly be the case in future revolutionary movements.

The slogans: against capitalism, for socialism or communism, will become comon to the revolutionary classes. But for each class they mean a different form of social organization. The working class has to build up production from below, by their direct hold over the factories, and to organize them by means of their workers' councils into a democratic commonwealth. The intellectual class will try to install a centrally organized state socialism, directed by a leading burocracy.

Is not the intellectual class right in this ? Is it not necessary that in these most difficult times of fighting and social

reconstruction the ignorant masses should be directed by those who have the best brains ? Is it not true, that for that period this selected minority class, trained in science, in general and special knowledge, are the natural leaders, till up to the time when new generations have been born ?

No, this is not true. The organization of society is not a matter of technics, of scientific knowledge. The technics of production are excellent already. Capitalism has developed the science of the forces of nature and its application to a high level. This is the domain of the superior knowledge of the intellectuals. As technical experts in the process of production they may apply their brains for the benefit of the community.

But social organization has to deal with other things: with social forces and with the knowledge of social forces. It is an organization of men. And here the intellectuals have no special capacities. What they bring along is only the haughty prejudices of the capitalist class. In social insight, in knowledge of the real class relations of society the intellectuals stand below the working class. Because their mind clings to ideas belonging to a passing period. Because outside of their physical machines, in matters of human relationship, they are wont to deal not with the realities of social life itself, but with their spiritual images , conceptions, theories, abstractions.

Social organization does not depend on qualities of the intellect of a minority. It depends on qualities of character of the whole working people. It is the consolidation of the workers into one unity, through strong moral and economic forces, which can not be commanded by leaders but must grow up in the masses in their fight for freedom.

Thus the social ideals and aims of the intellectuals and of the working class oppose one another. The intellectual class, when it should try to establish some social order, must call upon old instincts of obedience, upon the slave feelings of a bygone humanity. For its state-socialist aims it will find allies in socialdemocratic and party-communist platforms, in union leaders, in the capitalistic ideas of timid and backward workers, who think communist freedom too high for them, and in the beaten remnants of the capitalist force. Then the working class, finding itself opposed by this block, trying under the banner of "socialism against anarchy" to preserve the domination of a ruling class over the working class, will need all its wisdom and all its unity to find and to fight its way to freedom.

J.H.

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The U.W.P. will have classes on political economy and dialectical materialism during fall and winter months in Chicago, Buffalo and New York. For information write to U.W.P. , 1604 N.California Ave. Chicago, Ill., or to Peter Berck, 4316, 48 th Street. Long Island City, N.Y.

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The Council-Communist Press of Chicago will publish a series of important pamphlets in the next six months. Some money is available, but more is needed. You are asked to help in this work by buying a subscription for some of these pamphlets in advance. A few of the manuscripts we are planning to publish are:

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